

FBIS**DAILY REPORT
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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Condemns S. African Action

OW190652 Beijing XINHUA in English 0632 GMT 19 Jun 85

[Text] Beijing, June 19 (XINHUA) -- A spokesman of the Chinese Foreign Ministry today condemned the South African authorities for establishing the so-called "transitional government of national unity" in Namibia on June 17.

He said this constitutes a new grave challenge to the international community and another obstacle to the Namibian people's struggle for national independence.

At a weekly press briefing, the spokesman said the Chinese Government and people strongly condemn this act. He described the act as defying the relevant resolutions of the U.N. Security Council and the strong protests of the international community.

The "transitional government" engineered by the South African authorities is a product of their plot for the so-called "internal settlement", and is therefore unlawful and null and void, he said.

He said that the Chinese Government and people solemnly demand that the South African authorities immediately put an end to their illegal occupation of Namibia and unconditionally implement U.N. Security Council Resolution 435 on Namibia's independence.

He reiterated that the Chinese Government and people will, as always, firmly support the just struggle of the Namibian people for national independence under the leadership of the South-West Africa People's Organization.

He said that China believes that with the support of the justice-upholding countries and people in Africa and the world over, the Namibian people that have a glorious tradition of struggle will overcome all difficulties and obstacles on the road of advance and win final victory.

Wang Bingqian To Attend Talks

OW190716 Beijing XINHUA in English 0702 GMT 19 Jun 85

[Text] Beijing, June 19 (XINHUA) -- State Councillor and Minister of Finance Wang Bingqian will leave on June 21 to attend the 5th session of Sino-American Joint Economic Commission in Washington at the head of the Chinese delegation. This was announced by a Foreign Ministry spokesman at a weekly news briefing here today.

He said that at the forthcoming regular session, the two sides will brief each other on the economic development of their respective countries and review and look into the future of the economic cooperation between the two countries.

During the session, Wang will exchange views with the new U.S. Secretary of Treasury James A. Baker on Sino-American economic cooperation and other issues of common interest, he said.

Turkey's Ozal To Visit

OW190653 Beijing XINHUA in English 0637 GMT 19 Jun 85

[Text] Beijing, June 19 (XINHUA) -- Turkish Prime Minister Turgut Ozal will pay an official goodwill visit to China from June 30 to July 5 at the invitation of Chinese Premier Zhao Ziyang, a Foreign Ministry spokesman announced at a weekly news briefing here today.

He said that since China and Turkey established diplomatic relations in 1971, gratifying progress has been made in bilateral relations. It is believed, he said, that the forthcoming visit would further enhance Sino-Turkish friendly relations and cooperation.

Iranian Majlis Speaker To Visit

OW190640 Beijing XINHUA in English 0630 GMT 19 Jun 85

[Text] Beijing, June 19 (XINHUA) -- Hojjat ol-Eslam 'Ali Akbar Hashemi-Rafsanjani, speaker of the Iranian Islamic Consultative Assembly, will pay an official goodwill visit to China from June 27 to July 1 at the invitation of the Chinese Government, a Foreign Ministry spokesman announced at a weekly press briefing here today.

President of Kiribati To Visit

OW190647 Beijing XINHUA in English 0638 GMT 19 Jun 85

[Text] Beijing, June 19 (XINHUA) -- Jeremia Tabai, president of the Republic of Kiribati, will pay a state visit to China from June 27 to July 2 a Foreign Ministry spokesman announced at a weekly news briefing here today. This will be the first visit to China by leaders of Kiribati since the establishment of diplomatic ties between the two countries in 1980, he said.

RENMIN RIBAO VIEWS CONTROVERSY OVER SALT II

HK150750 Beijing RENMIN RIBAO in Chinese 14 Jun 85 p 7

["News Analysis" by Zhang Dezhen: "The Controversy Over the Continuation or Abolition of SALT"]

[Text] On 10 June, U.S. President Ronald Reagan formally declared that the United States will continue to abide by the Soviet-U.S. SALT II Treaty, but demanded that the Soviet Union "correct" their noncompliance. He declared that the United States will reserve "the right to respond at an appropriate time" to any Soviet violations of the treaty. This announcement has temporarily calmed the recent debate in the United States on the continuation or abolition of the treaty.

The second Strategic Arms Limitation Treaty was jointly signed by former Soviet and U.S. leaders on 18 June 1979 in Vienna. As a result of the deterioration of Soviet-U.S. relations due to the situation in Afghanistan, the accord was never ratified by the U.S. Congress. However, both the United States and the Soviet Union expressed willingness to abide by the stipulations of this treaty. However, since the treaty was signed, neither of the two signatories has actually kept its promise. Instead, both have tried by every means to take advantage of the loopholes to seek military superiority and have repeatedly violated the provisions of the treaty. The two superpowers were recently engaged in a fierce verbal battle by reproaching each other for violating the Strategic Arms Limitation Treaty.

The United States charged that the Soviet Union had recently begun to develop another new weapon -- the SS-X-25 missile -- after the development of the SS-X-24 missile, and took measures to conceal the tests and interfere with examination by the United States, thus violating the SALT II provision that neither side can produce or deploy more than one type of new strategic missiles.

Meanwhile, the United States also charged that the Soviet Union possessed 2,250 pieces of strategic arms vehicles, or some 600 pieces more than the ceiling specified by the treaty. To give the United States tit for tat, the Soviet Union charged that the United States "had repeated and rudely violated" the provisions of SALT II by having the number of its multi-warhead missiles exceed the limit specified by the treaty, building too many land-based missile launch facilities, and stepping up the deployment of sea-based long-range cruise missiles. In short, both the United States and the Soviet Union have tried hard to profess to abide by the treaty and lay blame on the other side for violating the treaty.

At present, the Reagan administration is faced with the question of whether to continue to observe this treaty or let it become invalid after SALT II reaches maturity at the end of this year. A more pressing question to be solved is that as a new Trident nuclear submarine will be shaken down next September, Washington must decide whether to demolish the missile equipment on an old submarine so as to keep the number of missiles within the limits specified by SALT II.

There have always been two sharply differing opinions on the above questions within the Reagan administration. Some people represented by the Pentagon hold that since the Soviet Union has continually violated the treaty, "the United States should take corresponding actions and need not restrain itself;" otherwise it will "be involved in a stupid policy of appeasement in strategic matters." But other people represented by the State Department hold that the termination of this treaty "will give rise to an unbridled arms race: that will seriously affect the Geneva disarmament talks and U.S.-Soviet relations as a whole. On 5 June, the United States Senate adopted by an overwhelming majority a resolution demanding that the Reagan administration continue to abide by SALT II until the end of 1986. Meanwhile, at the NATO foreign ministers meeting in early June, West European countries asked the United States not to abruptly abolish SALT II. Under the pressure of public opinion at home and abroad, and after careful consideration by weighing advantages and disadvantages, President Reagan finally decided to continue to abide by the treaty.

Of course, Reagan's decision is conditional. In his own words, if the United States discovers further Soviet violations of the treaty, it will "reserve" the right to respond "appropriately and correspondingly." In addition, Reagan also ordered the Department of Defense to submit a report on Soviet armaments and its implementation of SALT II before 15 November so that the President can make a final decision on whether to abide by SALT II based on the report. American newspapers said that this means that the President "still reserves room for maneuvering."

SALT II was signed 6 years ago, and facts over the past 6 years show that the arms race between the superpowers will never be restrained by an agreement which may be a mere scrap of paper. Conversely, the treaty, which merely limits the quantity of nuclear weapons and places no limits on the quality of nuclear weapons, will in fact prompt the superpowers to develop more advanced and more sophisticated new weapons so as to speed up the upgrading of their armaments.

For example, the MX missiles of the United States and the SS-X-24 missiles, the fifth generation of intercontinental missiles, of the Soviet Union were both developed in accordance with the SALT II provision that each side is allowed to make one type of new strategic missiles. Therefore, although SALT II may play a role in restraining the arms expansion of the two superpowers, it will not be able to check their arms race if they are not sincere about disarmament.

HONG KONG SEMINAR NOTES INVESTMENT VALUE OF SEZ'S

OW141811 Beijing XINHUA in English 1540 GMT 14 Jun 85

[Text] Hong Kong, June 14 (XINHUA) -- China's special economic zones (SEZ) and open port cities are attractive to foreign investors, Ira Kaye, first vice-president of the American Chamber of Commerce in Hong Kong told a seminar here today.

The one-day seminar, attended by more than 130 businessmen from Hong Kong, Japan, the Netherlands and Thailand, was sponsored by the Institute for International Research in association with the American Chamber of Commerce in Hong Kong. It was designed to explore the varied avenues leading to the successful penetration of the Chinese market and probe into issues crucial to maintaining a competitive edge in China.

Speaking as chairman of the seminar and representative of the American Chamber of Commerce, Kaye said: "Over the past six years, the four special economic zones have concluded contracts and agreements over four billion U.S. dollars, representing about 40 percent of the country's total foreign investment in that period. In 1984 more than 1,400 contracts worth 900 million U.S. dollars were concluded. Foreign investment in the 14 newly opened coastal cities in 1984 was equivalent to the total in the preceding five years.

"This reflects the definite attraction of these zones and cities for foreign investors," he noted.

He expressed the belief that the announcement by China in April 1985, allowing foreign banks to open branch offices in the four special economic zones would further stimulate international interest.

"Under the new banking regulations, foreign banks can deal in local and foreign currency loans, investments, guarantees, deposits and overdrafts. They can also handle inward and outward remittances, foreign exchange, buying and selling of stocks and securities, trusts, credit investigation, consultation and other services," he said.

BELJING REVIEW ON U.S. MILITARY, FOREIGN POLICIES

OW181500 Beijing BEIJING REVIEW in English No 24, 17 Jun 85 p 21-25

[Article by Jin Junhui: "Reagan's Diplomacy: An Overview"]

[Text] In economic and military affairs, the United States seems to eke out an edge over the Soviet Union in their rivalry for global supremacy. The Reagan administration's foreign policy is characterized by its heavy ideological flavour, increased threats of armed force, a big-stick-and-carrot approach to the Third World nations in international organizations and conference. The two major U.S. political parties actually pursue more or less the same policy on important diplomatic matters; what foreign policy struggles do occur normally take place within the conservative camp -- between the extremists and moderates. [end editor's note]

The Reagan administration's foreign policy, guided by a two-poles concept, aims at achieving military superiority in a battle with the Soviet Union for global hegemony. It tries hard to check Soviet expansion and reinforce the role of the United States as the world's overlord. Viewed from this angle, there is no denying that President Ronald Reagan scored some strong points in his first term of office.

U.S. Gains

The Reagan administration's gains are mainly seen in the important change that has occurred in the global contention between the two superpowers in the past four years. Previously, Moscow was on the offensive while Washington took the defensive. Now they are in a strategic stalemate in which neither side is absolutely on the offensive or defensive.

In Europe, the focus of superpower rivalry, the United States has gradually overcome its disadvantageous position in the balance of theatre nuclear forces by beginning to deploy new intermediate missiles. This has won the White House an important battle in its political and psychological war with the Kremlin. The Soviet policy of trying to wean Western Europe from Washington's aid has achieved little; in fact, its inflexible, weak countermeasures have only aggravated existing disharmonies between it and its allies in Eastern Europe.

In Asia and the Pacific, the political situation is more obviously unfavourable to the Soviet Union. While the United States has considerably strengthened its ties with Japan, South Korea and the Association of South East Asian Nations (ASEAN) and improved its relations with China, the Soviet Union and Moscow-backed Vietnam are bogged down in Afghanistan and Kampuchea. The rapidly expanding Soviet military buildup in the region has also led to more U.S. and Japanese countermoves.

In Central America, the U.S. invasion of Grenada and the Reagan administration's efforts to isolate Cuba and weaken Nicaragua have caused the Soviets some setbacks. And in southern Africa, while U.S. clandestine diplomacy has made some progress, Angola and Mozambique have tended to move away from Moscow -- a trend obviously not to the Soviets' liking.

It is only in the Middle East that the United States has suffered serious setbacks. While the U.S. Marines pulled out of Lebanon and Lebanese President Amin Al-Jumayyil subsequently rescinded his country's accord with Israel, Moscow quietly strengthened its position in Syria, expanded its influence among the Gulf nations and succeeded in exchanging ambassadors with Egypt once again after a 13-year break in relations.

It is most significant, however, that the U.S.-Soviet global rivalry seems to mainly favour Washington.

Economically, after paying a considerable price for conservative economic policies implemented during its first two years in power, the Reagan administration succeeded in bringing about an economic recovery in 1983 and 1984. Moreover, the economic upturn came so fast that it exceeded most observers' expectations and put the United States well ahead of the other industrial countries. Its most notable results: The country's 1984 gross national product climbed by 6.9 percent, its biggest one-year gain since 1951; inflation plummeted from 13.5 percent in 1980 to its present 4 percent; unemployment fell from 10.8 percent at the end of 1982 to 7.5 percent; over 80 percent of the country's manufacturing facilities are being utilized; and labour productivity (3.5 percent in 1983) and fixed assets investments (20 percent in the first half of 1984) have reached new highs. Also, the country continues to lead the world in high-technology fields including space exploration, electronics, fibre-optic communications and biological engineering.

By contrast, the Soviet economy is still in trouble. Bad harvests in three of the past four years have forced Moscow to buy large quantities of grain from the West. Economic growth rates have been low, averaging between 2 percent and 4 percent over the last four years. Little progress has been made in economic structural reform, and Moscow has been dropping ever farther behind the United States in the key hi-tech sectors.

Militarily, the Reagan administration has pursued a policy of large-scale armaments expansion. In the past four years, U.S. military spending has increased by 7 percent annually in real terms. Its total troop strength has grown by 250,000 men, and 50 more warships have been added to its fleets. A new generation of nuclear weapons -- the Pershing II missile, Trident II submarine-based missile, B-1 bomber, long-distance cruise missile and MX missile -- have either been deployed or gone into production. New progress has also been made in developing anti-satellite arms and other space weapons. In addition, frequent large-scale military exercises, expanded reserves of strategic materials and improved command and communications systems have all helped increase U.S. preparedness for war. Taken together, these measures have reversed the unfavourable U.S.-Soviet military balance seen only four years ago.

Contributing Factors

When considering the new American ascendancy over the Soviet Union, one must, first of all, recognize that the Reagan administration has enjoyed several compelling advantages. First Moscow has run into great difficulties at home and abroad in the past few years because of its frequent changes in leadership, the unfortunate war in Afghanistan and other expansionist activities, and continuing problems in Poland. Second, conservatives led by Margaret Thatcher, Yasuhiro Nakasone and Helmut Kohl have come to power in key U.S. allies Britain, Japan and the Federal Republic of Germany. And in France, the Socialist government of President Francois Mitterrand has taken an even tougher line towards Moscow than its predecessor. These political changes have brought the United States powerful support in its wrangles with Moscow.

Third, the realistic attitude adopted by the former U.S. President Richard Nixon towards Sino-American relations and the establishment of diplomatic ties with China during President Jimmy Carter's term left Reagan in a favourable diplomatic position. Fourth, domestic conservative forces have gained considerable strength in the United States due to the popular backlash against the Democratic Party's outdated New Deal ideology and increasing discontent over the country's declining international status. The main indicators of this trend are rising opposition to heavy spending on social security and the strong tendencies toward jingoism in external relations. These factors have given Reagan social base from which to launch his conservative policies both at home and overseas.

Of course, the Reagan administration's own role in its rise should not be ignored. For one thing, the administration has decided that the best way to deal with the Kremlin is to negotiate from a position of strength. With this knowledge, it has made unremitting efforts to harden its military and economic muscles. And in this, it has achieved some success.

On the other hand, the administration has also resisted pressure from the ultra-right on some issues and made some necessary compromises. As Nixon put it, Ronald Reagan is a "responsible rightist," not a "crazy rightist." For instance, on the Soviet natural gas pipeline issue, Reagan decided to forgo applying sanctions against Western Europe -- in disregard of strong opposition from the "unilateralists." It was because of this decision that he succeeded in having U.S. medium-range missiles deployed in some West European countries. Drawing a sound lesson from this episode, Reagan than paid more attention to consulting his West European allies on important international matters, an also showed some flexibility in negotiating with the Soviets.

In another instance, Reagan took important steps toward improving Sino-U.S. relations by successfully removing obstacles thrown up by pro-Taiwan forces both in the government and the Congress. One sound move was the signing of the August 17, 1982 joint communique; the other was the loosening of U.S. restrictions on technology transfers to China. His 1984 visit to Beijing was also helpful.

Outstanding Features

Overall, the Reagan administration's foreign policy has the following characteristics:

First, its ideological flavour is stronger than that of the previous Nixon, Ford and Carter administrations. The Reagan administration has attempted to use the disappointments and complications affecting some socialist states as springboards for vilifying the socialist system, expanding capitalist influence and consolidating the capitalist camp. While preaching a gospel of market magic and advertizing the economic achievements of South Korea and even Taiwan, it also stresses launching an ideological offensive. In particular, the Reaganauts try to sell the Western parliamentary system to the Third World countries in order to oppose and weaken the development of the armed revolutionary movement -- a course that has brought it some successes in Latin America and Africa.

Second, the Reagan administration has intensified the threat of armed force while cautiously availing itself of the opportunity to use this method. A characteristic example is the American invasion of Grenada; others are shows of naval force in Central America and the Middle East.

Third, the administration has stepped up funding for the covert activities of its Central Intelligence Agency (CIA). Furthermore, decrees have been promulgated to ban media revelation of CIA agents' identification. The CIA has been enlarged and its field of operations expanded. For instance, CIA is training mercenary troops to support anti-government forces in Nicaragua.

Fourth, Reagan has used a carrot-and-stick approach to assume control over the Third World countries and pit them against the Soviet Union. It also gives more bilateral foreign aid, rather than multilateral aid, and stresses military help over economic assistance. The recipient countries and their aid quotas are decided by the role they play in the U.S. rivalry with the Soviet Union. Aid goes first to countries that can best directly advance Washington's strategic interests. The second rank of nations are those friendly to the United States and willing to provide it with military installations. The third echelon can provide the United States with important raw materials. Former American representative to the United Nations, Jeane Kirkpatrick, even threatened economic reprisals against Third World countries that voted against the United States. If its interests were not heeded, she said, the Reagan administration would reconsider its aid policies towards those countries.

Fifth the administration has pushed economic hegemonism. The policy has meant the continuation of huge deficits and high interest rates which harm the Third World and developed industrial countries alike. Although the exchange rate of U.S. dollar is constantly strengthening, Washington has taken no measures to interfere with it. Its position is that if the U.S. economy is developing, other countries will naturally benefit. In essence, it exports difficulties caused by its conservative principle and uses the inflow of foreign funds to partially compensate the U.S. for its huge deficits at home. The Reagan administration also attempts to use the difficulties of the Third World countries to persuade them to change their economies in accordance with U.S. intentions, and to influence their political attitudes. The United States has further adopted a rigid attitude towards South-North relations to protect its interests. It resolutely opposes the establishment of a new international economic order, claiming that it is proud of the present system and that it must be strengthened. It has always prevented global negotiations on this issue, stressing that the international monetary organizations provide loans to encourage private capital and promote the market economy. It uses its privileges in these organizations to carry out this purpose, and also opposes collective talks between creditor and debtor countries.

It has further tried to reduce the sums it contributes to the international monetary organizations. During the Carter administration the United States gave 34.8 percent of its foreign aid to international monetary organizations -- a figure that has now dropped below 20 percent. U.S. capital stock in the International Development Association of the World Bank has fallen from 42 percent to a new low of 27 percent in 1983.

Sixth, the United States has often taken stubborn positions in international organizations and conferences, going against the will and interests of the majority of nations. To maintain the interests of Israel and South Africa, it has often exercised its veto power in the UN Security Council. It also has threatened to withdraw from organizations which would want to expel Israel and South Africa. Washington has withdrawn from the UN Educational, Scientific and Cultural Organization (UNESCO) because the institute did not bend to its will. Another case in point is the Law of the Sea treaty, which would prevent American interests from plundering valuable undersea resources and has thus gone unsigned by the White House.

These extreme positions have also dealt the Reagan administration some disappointments and given Moscow chances to increase its influence, especially in the Middle East. In spite of American initiatives including high-level visits by secretary of state, shuttle diplomacy involving special envoys, high levels of military and economic aid, and the U.S.-Israeli agreement on strategic co-operation, Washington has met with disappointment and growing Soviet strength. The fundamental reason is Washington's pro-Israeli bias, a policy deeply offensive to the Arab world and one which has sent the United States up a blind alley in this crucial region.

Meanwhile, anti-U.S. feelings in Central America in particular, deepened. Recently appeals have been sounded for the removal of U.S. military advisers from El Salvador, and Honduras has stated that the United States should stop training Salvadoran troops on its soil. The influence of the Contadora Group has expanded, and the debtor countries in Latin America have strengthened their unity. All these factors show that the United States is beset with crises in Latin America.

It is true that the United States has maintained a fairly strong position in world economy as most of the Third World countries are deep in economic trouble and some developed nations have experienced only a weak recovery. But, from a long-term point of view, the American policies encouraging deficits, high interest rates and strong dollar cannot go on for long. They will be readjusted, or they will bring disaster to both the U.S. and the world economies.

Domestic Influences

The Reagan administration's foreign policy of the past four years has been influenced by domestic political factors.

First, subject to the influence of domestic conservative trends, the Republican and Democratic Parties have been close on several important policies. These include continuing the stern U.S. attitude towards the Soviet Union, boosting military expenditures and developing friendship with China while sticking to the "one China, one Taiwan" policy. On foreign economic policy, the two parties also agree that American interests should be put first. And on nuclear strategy and Central America, its mostly hotly-disputed domestic issues, Reagan has finally achieved bipartisan support by forming a special committee consisting of members of both parties.

Second, conflicts on foreign policy have been kept largely within the conservative camp -- between the extremists and moderates. The United States did not improve its relations with Western Europe until unilateralism, which espouses American freedom of action, was conquered. Its current policies towards China also persist in spite of interference from the pro-Taiwan lobby: The Sino-U.S. joint communique of August 17, 1982 was signed only after Secretary of State Alexander Haig had won a fierce struggle with Richard Allen, the President's assistant for national security affairs.

Third, a conflict has broken out between two social and political trends within the United States, with middle-of-the-road policies on one side and conservative policies on the other. The first trend comes from the negative results of the Reagan administration's domestic and foreign policies -- policies which have promoted worries across a broad spectrum of public opinion over deteriorating U.S.-Soviet relations and the increased risk of a nuclear war, as well as vehement dissatisfaction among the old, the poor, and black and other minority communities, who demand slowing military growth and opposing continuing cuts in welfare spending. This reflects the general attitude responsible for the Republicans' rebuff in mid-term elections held in 1982. And it has forced Reagan to gradually steer a moderate course in his first four years in office, and to change his attitude towards the Soviet Union. The policy changes were made also to meet the needs of the 1984 presidential election.

On the other hand, however, a new tilt towards a more conservative ideology is now taking place, aided by the flourishing U.S. economy and Washington's strengthened position in world affairs. These factors have boosted Reagan's already high reputation and put the right-wingers in high spirits. The 1984 campaign platforms of both the Republican and the Democratic Parties were typical of this: The former was quite conservative, while the latter also changed its liberal stand and turned out to be more conservative than ever before. The moderate policy will persist as a Reagan mainstay, especially since international conditions will impose a growing control upon the hegemonism and national chauvinism of the United States; yet the conservative trend will also remain very much in evidence, if only as a minor force, throughout foreseeable future.

MARCOS MEETS WITH RADIO-TV DELEGATION IN MANILA

OW181227 Beijing XINHUA in English 1215 GMT 18 Jun 85

[Text] Manila, June 18 (XINHUA) -- President Ferdinand Marcos this afternoon expressed the hope that China will succeed in her four-modernization program and make even greater progress.

Marcos said this while receiving a Chinese broadcasting and television delegation headed by Yang Zhaolin, director of the central broadcasting station, at the Presidential Palace.

He said the good relations between the Philippines and China continue to grow. The visit by Chinese guests will further strengthen the friendship and cooperation between the two countries.

The Chinese broadcasting and TV delegation, arrived on June 5 for a two-week friendly visit at the invitation of the Philippine Broadcasting Association. They will leave for home this afternoon.

During their stay here, they exchanged views with their Philippine counterparts on cooperation in the field of broadcasting and television. They also visited radio and TV stations, factories and tourist attractions in the country.

JI PENGFEI MEETS HONG KONG MEDICAL DELEGATION

OW181341 Beijing XINHUA in English 1322 GMT 18 Jun 85

[Text] Beijing, June 18 (XINHUA) -- Ji Pengfei, state councillor and director of the State Council's Hong Kong and Macao Affairs Office, met a delegation from the Hong Kong Medical Association led by President Raymond Wu here today.

Ji welcomed Hong Kong medical personnel to visit and exchange experience on the mainland.

Wu told Ji that the Hong Kong Medical Association will serve as a bridge in spreading the knowledge of traditional Chinese medicine and introducing advanced medical techniques from other countries.

The Hong Kong Medical Association delegation arrived June 15 at the invitation of the Chinese Medical Association.

HONG KONG TO EXPAND INTERNATIONAL AIRPORT

OW171718 Beijing XINHUA in English 1642 GMT 17 Jun 85

[Text] Hong Kong, June 17 (XINHUA) -- Hong Kong is undertaking a massive program to improve its international airport at Kai Tak to cope with the demand in the next decade, according to a local press report today.

The main work of a five-stage expansion program worth 273 million H.K. dollars (about 35 million U.S. dollars) will begin in September and is due to be completed by early 1988.

The plan at hand is to increase the passenger handling capacity from the present 12 million to about 18 million a year, said Trevor Oliver, assistant director of the Civil Aviation Department. This would mean the airport handling 5,300 inbound or outbound passengers per hour, he added. Currently, 32 scheduled airlines are operating around 1,000 services a week to and from Hong Kong -- linking it directly with 70 major world cities, with no-stop services to 40 of them.

ZHAO ZIYANG, DELEGATION CONCLUDE NETHERLANDS TOUR

Delegation Visits Philips

OW181718 Beijing XINHUA in English 1656 GMT 18 Jun 85

[Text] Eindhoven, Holland, June 18 (XINHUA) -- Chinese Premier Zhao Ziyang and his entourage flew in here this morning and visited the Philips Company to the warm welcome of Philips' management and staff.

Premier Zhao was greeted at the airport by Mayor of Eindhoven G. Borrie and President of the Philips Company W. Dekker.

Mr. Dekker said at the company's showroom that contacts between Philips and China have existed for many years. "We consider it of great importance that in the past year and also during this year already agreements have been reached and negotiations are being held on a number of very interesting and substantial projects," he said.

Premier Zhao viewed products in the showroom at the Philips with interest, before exchanging gifts with Dekker.

On his flight back to The Hague, Zhao viewed from the plane the world-famous giant delta works in southwestern Holland and the 30 kilometre-long barrier dam of the Zuyder Sea in northwestern Holland.

After Premier Zhao's departure, Vice-Premier Tian Jiyun and Foreign Minister Wu Xueqian continued their visit at the Philips factories and attended a luncheon given by the board of directors of Philips. In his reply to the toast by Vice-President Van der Klugt, Vice-Premier Tian said that Philips has won international credit and acclaim for its meticulous management and high-quality products by attaching importance to scientific research and always daring to break fresh ground.

"We believe that as our economic, technological and trade ties grow in strength, the areas of cooperation between your company and departments concerned in China will also expand," he added.

Zhao Meets Businessmen

OW181840 Beijing XINHUA in English 1827 GMT 18 Jun 85

[Text] The Hague, June 18 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang expressed here today the hope for steady and sustained progress of Sino-Dutch trade and economic and technological cooperation.

Speaking at a meeting with over 30 leading Dutch industrialists and businessmen at the residence of the Dutch prime minister, Premier Zhao said they are welcome to carry out multi-form cooperation with China as well as set up enterprises in China with exclusive foreign investment.

The Netherlands, as an economically developed country, has a lot of expertise that China should learn from in the fields of port construction, electronics industry, ship-building, farming, and animal husbandry, Zhao said.

Since the restoration of diplomatic relations to the ambassadorial level in 1984, Sino-Dutch cooperation has made much headway, he said. Last year the total volume of two-way trade increased 13.6 percent over that of the previous year, he added. But, the premier continued, although bilateral trade has grown, the volume of trade accounts for only a very small proportion in the foreign trade of either country.

Besides, Zhao said, up to now the economic contact between the two nations mainly takes the form of two-way trade. While continuing to develop two-way trade, the two countries should promote economic and technological cooperation, he said.

The two countries should not only address themselves to the present cooperation, but also take a broader view and explore possibilities for long-term cooperation, he said.

He also expressed the hope that the Netherlands will further increase its competitiveness in terms of prices, technology transfer and loans so as to create more opportunities for Dutch products and technology to enter Chinese market.

Zhao Says Visit 'Fruitful'

OW181516 Beijing XINHUA in English 1448 GMT 18 Jun 85

[Text] The Hague, June 18 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang said here today that he is convinced that the Sino-Dutch friendly relations and cooperation will develop further.

This can be achieved, he added, as long as the two countries follow the principle of mutual respect, equality and mutual benefit and continue to make concrete efforts. The Chinese premier said this at a press conference here this afternoon.

Premier Zhao said that he and Dutch Prime Minister Ruud Lubbers had agreed on the further development of bilateral relations and some major international issues during their talks yesterday. He described his visit to Holland as "very fruitful." It has enhanced mutual understanding and friendship between the two countries, he added.

He noted that the Dutch Government and friends of various circles strongly desire to further develop Sino-Dutch relations.

Premier Zhao asserted that China and the Netherlands can carry out useful exchanges and mutually beneficial cooperation in many areas.

PRC Willing To Expand Trade

OW182004 Beijing XINHUA in English 1942 GMT 18 Jun 85

[Text] The Hague, June 18 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China is willing to increase cooperation with the Netherlands in various fields including water conservancy, agriculture and port construction.

Speaking at a press conference he gave at the Promenade Hotel, the Premier said that the Netherlands has much experience in these fields, from which China can learn.

He said that after visiting the Rotterdam Port, the Rhine River delta and the famous dam, he found many similarities between these places and the Pearl River delta and the Chang Jiang (Yangtze) river delta in China.

He told reporters that China and the Netherlands are approaching each other on a number of projects in the above-mentioned fields.

China is much interested in the horticulturized agriculture and the highly developed animal husbandry in the Netherlands, he said.

There are broad prospects for Sino-Dutch cooperation in the fields of agriculture, animal husbandry and the processing of agricultural and sideline products, the premier said.

Zhao on Independent Policy

OW181950 Beijing XINHUA in English 1940 GMT 18 Jun 85

["No Alliance Between China, Any Superpower, Says Zhao" -- XINHUA headline]

[Text] The Hague, June 18 (XINHUA) -- China will not enter into alliance or establish "strategic relations" with any superpower, visiting Chinese Premier Zhao Ziyang reiterated here today. The premier said at a press conference held at the Promenade Hotel that China pursues an independent foreign policy.

China holds the view that the only norm guiding international relations is the Five Principles of Peaceful Coexistence, Zhao stated, adding that China will not allow the social system and ideology to predetermine its relationship with other countries.

Comments on Taiwan, Hong Kong

OW181958 Beijing XINHUA in English 1945 GMT 18 Jun 85

[Text] The Hague, June 18 (XINHUA) -- Chinese Premier Zhao Ziyang reaffirmed here today that China will strive to solve the Taiwan question in accordance with the concept of "one country, two systems." Zhao was answering a question on Taiwan at a press conference at the Promenade Hotel here this afternoon.

He said that solving the Taiwan question in accordance with this concept is in the interests of the Chinese people, including the people on Taiwan, as well as of the parties concerned. In so doing, China is also taking into consideration the interests of the Taiwan authorities. "We hope that the Taiwan authorities and the parties concerned would support this concept," he said.

When asked about the impact of direct Sino-Dutch trade on Hong Kong, Premier Zhao said it will not affect the two countries' trade via Hong Kong. As a matter of fact, he said, Hong Kong's role in China's import and export has increased after the signing of the Sino-British joint declaration on the Hong Kong issue.

Tian Jiyun Says Tour 'Success'

OW190430 Beijing XINHUA in English 0406 GMT 19 Jun 85

[Text] The Hague, June 18 (XINHUA) -- Chinese Premier Zhao Ziyang's current three-nation West European tour "has achieved the expected results and is a complete success," Vice-Premier Tian Jiyun, who is accompanying Zhao, said here today.

Zhao started his visit to Britain, Federal Germany and the Netherlands on June 2 and will wind up his trip tomorrow.

Tian told a group of Chinese reporters the premier's visit is expected to boost relations among China and the three nations to a new high.

Last year, the Chinese premier visited France, Belgium, Sweden, Denmark, Norway and Italy, and met with leaders of the European Economic Community. Tian said Zhao's current visit and his European tour last year have reflected China's intention to further develop relations with Western Europe. At the outset, Zhao said the aim of his trip was to promote friendship, strengthen cooperation and maintain world peace. His plans received positive responses from the three countries, the vice-premier said.

Tian noted that the meetings and talks Zhao had with European leaders showed that a common political foundation exists between China and Western Europe.

He said China and Western Europe have a common interest in maintaining world peace and promoting common prosperity. Tian said China sees Western Europe as a force for checking war and maintaining peace, and hopes it grows stronger and more united. Western Europe, meanwhile, considers China a major factor in maintaining world peace and stability and wants it to be strong and prosperous, Tian explained.

In the talks, the leaders expressed their willingness to strengthen consultations and cooperation in opposing the arms race and easing world tensions, Tian told reporters.

Referring to economic and technological cooperation, Tian said Britain, Federal Germany and the Netherlands are important trading partners of China's. In recent years, bilateral trade between China and the three countries has increased considerably, and economic and technological cooperation also has improved.

During the visit, the Chinese Government signed agreements with Britain on economic cooperation and nuclear energy. China and Federal Germany signed an agreement on the avoidance of double taxation, an agreement on financial cooperation and a protocol to extend the 1979 economic cooperation agreement for another 10 years. The two sides also signed a memorandum on nuclear power cooperation. China and the Netherlands signed an agreement on reciprocal encouragement and protection of investments.

Tian said the agreements and memorandum will further promote bilateral trade, economic and technological cooperation.

The vice-premier said that during the visit the delegation had wide contacts with industrialists and financiers, as well as well-known figures from various circles of the three countries. All of them expressed their strong willingness for the development of cooperation with China.

They held that both China and Western Europe have advantages in their respective economies. By combining these advantages, they can learn from each other's strong points to offset their own weaknesses and promote common progress. There exist great potentialities for the development of cooperation, he said.

Both sides expressed the hope that extensive and close friendly cooperation should be further developed on the basis of long-term stability and mutual benefit. Both sides agreed that they will continue to increase their contacts in order to materialise these expectations gradually.

The vice-premier said that with the development of bilateral economic and technological cooperation, the necessity for strengthening cultural exchanges between China and the three countries has become increasingly evident. To foster mutual understanding, Zhao presented several universities of the three countries with Chinese books. He also invited students and teachers majoring in Chinese to visit China next year.

Tian said that the Chinese Premier Zhao's visit had received friendly and sincere reception from the governments and people of the three countries. All this shows that the people of the three countries have profound friendly feelings toward China which have left us a deep and pleasant impression.

Tian thanked the governments and people from various circles of Britain, Federal Germany and the Netherlands for their hospitality, and wished the three countries prosperity and their people happiness.

Zhao Hosts Reception

0W182048 Beijing XINHUA in English 2033 GMT 18 Jun 85

[Text] The Hague, June 18 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang hosted a return reception here this evening to extend his gratitude for the warm welcome and hospitality offered him by the Dutch Government and various circles of the Netherlands.

Dutch Prime Minister Ruud Lubbers attended the reception, at which the guests and hosts had cordial and friendly conversations.

Present on the occasion were more than 300 guests including Dutch Minister for Foreign Affairs Hans van den Broek, other ministers and prominent public figures. Nagendra Singh, president of the International Court of Justice, was also present at the reception. Chinese Ambassador to the Netherlands Guo Jie was on the occasion.

Present at the reception on the Chinese side were Vice-Premier Tian Jiyun, State Counsellor and Foreign Minister Wu Xueqian as well as other members of Zhao's entourage.

Zhao Ends Visit

0W191040 Beijing XINHUA in English 1031 GMT 19 Jun 85

[Text] Amsterdam, June 19 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang left here for home today at the end of his successful visit to the Netherlands.

The premier's special plane took off at 12:07 p.m. (local time).

The Netherlands was the last leg of his three-nation Western European tour which started on June 2 and had taken him to Britain and Federal Germany.

WANG RENZHONG, NPC GROUP FETED IN WARSAW

OW180823 Beijing XINHUA in English 0659 GMT 18 Jun 85

[Text] Warsaw, June 17 (XINHUA) -- The visit to Poland by the delegation of the Chinese National People's Congress (NPC) marked the start of cooperation between the two legislative bodies and will push forward the two countries' cooperation in other fields, Stanislaw Gucwa, marshal of the Polish parliament said today.

Speaking at a banquet he gave in honor of Wang Renzhong, the visiting vice chairman of the NPC Standing Committee, Gucwa said that the visit by Chinese Vice Premier Li Peng to Poland not long ago made great contributions to the development of bilateral cooperation. The present visit by the Chinese NPC delegation will certainly promote mutual understanding between the two peoples and friendly relations between the two countries.

Vice Chairman Wang Renzhong noticed that this was the first time that an NPC delegation visited Poland. He stressed that both China and Poland are seeking world peace. He expressed the conviction that the visit to Poland by the Chinese NPC delegation will open a new chapter in the friendly cooperation between the Polish parliament and the Chinese congress and promote cooperation between the two countries and friendship between the two peoples.

Parliamentary Leaders Meet

OW190342 Beijing XINHUA in English 0206 GMT 19 Jun 85

[Text] Warsaw, June 18 (XINHUA) -- A meeting was held here this morning between the visiting delegation of the Chinese National People's Congress (NPC) and the main leaders of the Polish parliament.

Wang Renzhong, vice chairman of the NPC Standing Committee and head of the delegation, briefed the hosts on the legislative system of China. He said that with historic experience, China has since the Third Plenary Session of the 11th Congress of the Chinese Communist Party in 1978 embarked on the road of developing socialist democracy and strengthening the socialist legal system, thus ensuring the healthy and smooth advance of the socialist construction.

Marshal of the Polish parliament Stanislaw Gucwa expressed his appreciation of the meeting. The direct exchange and cooperation between the two legislative bodies is beneficial to both countries, he said.

The other leaders of the Polish parliament also briefed the Chinese guests on the Polish parliament's activities in the international affairs.

The Chinese delegation also paid a call to Polish Foreign Affair Minister Stefan Olszowski this morning.

FURTHER ON HIJACKED TWA PLANE IN BEIRUT

UN Officials Condemn Hijacking

OW180442 Beijing XINHUA in English 0257 GMT 18 Jun 85

[Text] United Nations, June 17 (XINHUA) -- Paul J.F. Lusaka, president of the U.N. General Assembly, issued a statement through his spokesman this afternoon, condemning the hijacking of a TWA airliner. "The president of the General Assembly condemns the hijacking of the TWA airliner, the taking of hostages and the killing of one of its passengers," said the spokesman. "The president expresses the hope that every effort will be made to free the remaining passengers and crew without harm" U.N. Secretary-General Javier Perez de Cuellar called over the weekend for an immediate end to the recent hijacking. He urged those responsible to understand that their act is criminal and should be ended without delay in a manner that avoids further suffering to the innocent passengers and the crew on board.

U.S. Forces Reported in Area

OW181105 Beijing XINHUA in English 1030 GMT 18 Jun 85

[Text] Washington, June 17 (XINHUA) -- A U.S. Navy task force and members of the Army's Delta Force have been moved within striking distance of Lebanon apparently in response to the hijacking of the U.S. Boeing 727, now on the ground in Beirut, according to reports received here. The reports said that a four-ship Navy task force is off the Lebanese coast and another task force, a three-ship amphibious group with 1,500 Marines aboard, left Gibraltar today five days ahead of schedule and is heading toward the Middle East, Members of the Delta Force were flown from Fort Bragg, North Carolina, to the Middle probably to Cyprus, the island close to Lebanon. Delta Force members took part in the invasion of Grenada in 1983 and in the unsuccessful attempt to free the U.S. hostages in Iran in April 1980.

Reagan Urges Hostage Release

OW191049 Beijing XINHUA in English 1033 GMT 19 Jun 85

[**"U.S. President Urges Release of American Hostages" -- XINHUA headline**]

[Text] Washington, June 18 (XINHUA) -- U.S. President Ronald Reagan tonight urged the Lebanese Shi'ites hijackers to release the American hostages who have been held captive for five days. Speaking at a White House press conference, Reagan ruled out making concessions to the hijackers, saying "to do so would only invite more terrorism". He disclosed that the United States has used its "utmost capacity in intelligence-gathering to try to find these people (the hostages and captors). He explained, "I can only say we have gathered a considerable body of evidence but we are not going beyond that."

The President also appealed to leaders of various religious groups in Lebanon and other governments to speak out against the hijacking and use their influence to secure the release of the American hostages. Referring to the statement made by Nabih Berri, the Shi'ite Moslem leader, that if Israel released some 700 Shi'ites held near Haifa the crisis would be solved within 24 hours, Reagan said, "We have not dealt with them (the Israelis) on that... we have not interfered." He also announced that he has directed his administration to explore a possible expansion of the "sky marshal" program to prevent such incidents.

The passenger plane Boeing 727 of an American airline with some 100 people aboard was hijacked by two Shi'ite Moslems on its way from Athens to Rome last Friday, and landed at Beirut International Airport. The plane was forced to fly to Beirut, then to Algiers, back to Beirut and return to Algiers once again during its hijacking. A number of hostages have been released in Algiers and Beirut.

FIVE BEIJING RIOTERS SENTENCED FOR HOOLIGANISM

OW181612 Beijing XINHUA in English 1557 GMT 18 Jun 85

[Text] Beijing, June 18 (XINHUA) -- Two men and a youth were jailed for between six and 30 months here today for committing acts of hooliganism during the soccer riot at Beijing Workers' Stadium last month. The riot broke out after the Chinese national side was beaten 2-1 by Hong Kong in a vital World Cup qualifying match on May 19.

The longest sentence was imposed by Beijing Municipal Intermediate People's Court on Liu Guofang, 20, a tree planter at the Babaoshan Cemetery in western Beijing. He was jailed for 30 months and ordered to pay 61 yuan in damages for injuring a policeman and a soldier when he threw a stone through the window of a police vehicle.

Hua Zeping, 25, a worker at a government institution, who helped other rioters overturn a taxi, was jailed for two years and told to pay 200 yuan in damages.

Sixteen-year-old Huang Hui, 16, a temporary worker at a building materials company, who hurled bricks and stones at a bus and a taxi, was sentenced to six months and ordered to pay 200 yuan compensation. He was given a shorter sentence because he was a juvenile and had confessed his crime. The other two also pleaded guilty. At the lower Chaoyang District People's Court two other men were sentenced to four months police detention for their part in the riot. Textile worker Zhao Fengjun, 22, admitted throwing plastic drink containers at the Hong Kong football team, and salesman Ding Guohua, also 22, pleaded guilty to kicking a policeman.

Police caught more than 100 people after the riot. Thirty-eight were detained for 12 to 15 days for disrupting public order, and 78 others were allowed home after admitting their errors. The Beijing Municipal Procuratorate has refused to proceed with charges against another two men unless the public security bureau can produce more evidence against them.

ZHONGGUO FAZHI BAO on Violence

HK181223 Beijing ZHONGGUO FAZHI BAO in Chinese 7 Jun 85 p 1

["Short Comments" by Zhang Zonghou: "It Is Necessary To Behave With Reason and To Act According to Law"]

[Text] Since a few people created disturbances and made trouble in front of the gates of the Beijing Workers' Stadium on 19 May and caused the Beijing Workers' Stadium incident, public opinion at home and abroad has shown great concern. How could such a distressing incident take place in China's capital Beijing, which is famous for its "traditional courtesy"? Now the judicial department is dealing with those trouble-makers according to their respective situations and has instituted proceedings against 5 criminals who seriously damaged public order. Now most of the people feel at ease, but I still want to say a few words.

There is always a winner and a loser in a match. If people only want to see their team win the match and do not want to see their team lose the match or only want to see the guest team lose the match and do not want to see the guest team win the match, who on earth will come to your country to take part in the match?

A courteous audience should hail the excellent skills of both teams so as to push forward the development of ball games which are beneficial to the people's health and international intercourse. It was quite uncivilized to gather together to create disturbances and make trouble after losing the match. Those people have made our country lose face.

Most of the trouble-makers created disturbances because they lacked a correct understanding of the match. So we should adopt the method of persuasion and education to try to explain to them and help them to strengthen their moral concepts and to behave according to law. I believe that through education, most of them will be able to see their mistakes and learn a lesson.

As for the few people who regarded the law as a trifling matter and created disturbances and made a lot of trouble, thus not only having damaged the public order, but also having created a very bad impression at home and abroad, we must deal with them strictly according to the law. Our country has its legal system which bans the few people from acting wildly in defiance of the law or public order and from harming the prestige of the country and the interests of the broad masses of the people.

The most effective method of dealing with the trouble-makers is to behave with reason and act in line with the legal system. Only by sticking to this principle will we be able to prevent such incidents from happening or be able to lessen them and properly settle them if they happen.

Finally, I think that all the relevant departments should learn a lesson from the incident. The Public Security Department, the Sports Department, and all the relevant departments have to take responsibility for maintaining order in the stadium. We should see the mistakes in our work so as to adopt some practical and effective measures to eliminate any symptoms of similar incidents in their embryonic stage.

FURTHER COVERAGE OF 6TH NPC STANDING COMMITTEE

Decree on New Ministers

0W181746 Beijing XINHUA Domestic Service in Chinese 1523 GMT 18 Jun 85

[Text] Beijing, 18 Jun (XINHUA) -- Decree of the President of the PRC No 27

In accordance with the decision of the 11th Session of the 6th NPC Standing Committee of the PRC on 18 June 1985:

1. Li Peng is appointed concurrent minister in charge of the State Education Commission. He Dongchang is removed from the office of minister of education.
2. Ding Henggao [0002 5899 7559] is appointed minister in charge of the National Defense Science, Technology, and Industry Commission. Chen Bin is removed from the office of minister in charge of the National Defense Science, Technology, and Industry Commission.
3. Li Tieying is appointed minister of electronics industry. Jiang Zemin is removed from the office of minister of electronics industry.
4. Zou Jiahua is appointed minister of ordnance industry. Yu Yi is removed from the office of minister of ordnance industry.
5. Li Xue is appointed minister of aeronautics industry. Zhang Jun is removed from the office of minister of aeronautics industry.
6. Yu Hongen is appointed minister of coal industry. Gao Yangwen is removed from the office of minister of coal industry.

7. Ding Guangeng is appointed minister of railways. Chen Puru is removed from the office of minister of railways.
8. Ai Zhisheng is appointed minister of radio and television. Wu Lengxi is removed from the office of minister of radio and television.
9. Wang Tao is appointed minister of petroleum industry. Tang Ke is removed from the office of minister of petroleum industry.

Li Xiannian, president of the PRC, 18 June 1985

'Roundup' on Leadership Changes

HK190230 Beijing ZHONGGUO XINWEN SHE in Chinese 0944 GMT 18 Jun 85

["Roundup" by reporter Li Wei: "Smooth Progress of Replacement of the Old by the New In China's High-Level Leadership Stratum" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 18 Jun (ZHONGGUO XINWEN SHE) -- Eight new members with an average age of 54.6 were appointed ministers of eight ministries under the State Council by the 11th Meeting of the 6th NPC Standing Committee held today. This is the largest personnel change at the level of ministries and commissions under the State Council to take place recently. This shows that the replacement of the old by the new in China's high-level leadership stratum is being accelerated.

The readjustment of China's high-level leadership stratum includes 107 ministries and commissions of the central authorities and 29 provinces, municipalities, and autonomous regions. In other words, a total of 136 units and localities are affected by the readjustment. Some authoritative persons have revealed that due to the efforts exerted over the past 2 years, the readjustment has been progressing smoothly and will be completed by the end of this month as scheduled.

Observers here notice that personnel changes have been markedly accelerated this year. In the last month or two, the formation of new leading bodies of the provincial governments of Sichuan, Shandong, Jilin, and so on has been reported. New leading bodies of the CPC Committees of Guizhou, Hebei, Jiangxi, and so on have also been established one after another. The new provincial governor of Shandong, Li Changan, aged 49, is the youngest provincial governor in China today. Wan Shaofen, secretary of Jiangxi Provincial CPC Committee, is the first woman provincial party secretary since the founding of New China.

The readjustment of the high-level leadership stratum of the Army is also being actively carried out. Based on readjustment of several military regions, members of the leading bodies of the seven military regions have been smoothly selected. New leaders have been assigned to the three general departments of the PLA. They are Deputy Chief of Staff He Qizong, Deputy Director of the General Political Department Zhou Wenyuan, and Deputy Director of the General Logistics Department Zong Shunliu. They are all 42 years old. They were tempered in the basic-level Army units, and later were sent to higher military academies for further training.

The readjustment of the high-level leadership stratum of the CPC and the Army are eye-catching for the two characteristics of the younger age and higher professional level of the new members. First of all, the average age of the new members is obviously lower. For example, there is a new provincial governor and six new vice provincial governors in Sichuan, the most populous province in China. The average age of the members of the leading body of the provincial government has been reduced from the previous 57.5 to the present 53.7. The average age of the members of the Standing Committee of Guizhou Provincial CPC Committee has been reduced from the previous 56.4 to the present 50.8.

Furthermore, their educational and professional level has also been markedly enhanced. A number of "expert-type" personnel with university or college educational level have been assigned to the high-level leadership stratum of the party, government, and Army. For example, the eight new ministers of the State Council appointed today have university level education and have acquired comparatively profound professional knowledge. The youngest minister, Li Tieying of the Electronics Industry Ministry is a man of high attainment in semiconductor devices and microprocessing devices. Among the 12 newly elected members of the Standing Committee of Hebei Provincial CPC Committee, 8 have the educational level of institutions of higher education. The number of members of such an educational level has increased by 13.1 percent.

The readjustment of China's high-level leadership stratum is being carried out with the warm support of veteran cadres. Many veteran cadres have taken the initiative to give their positions to worthy persons and to support the new cadres. Chi Binqing, former first secretary of Guizhou Provincial CPC Committee, told young cadres newly assigned to the leading body 2 years ago: "Do your work boldly. If anything happens, I will be responsible for it." Such a wise attitude of the veteran has ensured the progress of replacing the old by the new in a coordinated way.

Taking the three echelons as an alignment to readjust the leadership structure in a profound way is an important creative method for solving the problem of replacing the old with the new in the leadership stratum. It has been reported that the work of selecting and training members of the third echelon is also being accelerated. Nearly 1,000 members of the reserves of the third echelon at the provincial and ministerial levels and several tens of thousands of members of the reserves of the third echelon at the prefectural (bureau) and county (department) levels are being trained and brought up in basic-level units.

Hong Kong Committee Namelist

OW181928 Beijing XINHUA Domestic Service in Chinese 1503 GMT 18 Jun 85

[Text] Beijing, 18 Jun (XINHUA) -- Names of the members of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, adopted by the 11th Meeting of the 6th NPC Standing Committee on 18 June 1985.

Chairman: Ji Pengfei

Vice chairmen: T.K. Ann [An Zijie 1344 1311 0094], Yue-kong Pao [Bao Yugang 0545 3768 0474], Xu Jiatun, Fei Yimin, Hu Sheng, Fei Xiaotong, Wang Hanbin, Lee Kwok-pao [Li Guobao 2621 0948 1405]

Members (In the order of the number of strokes in their surnames): Ma Lin [7456 5259], Wang Hanbin, Wang Shuwen [3769 0647 2429], Wang Tieya [3769 6993 1509], Mao Junnian [3029 6874 1628], Yue-kong Pao, Kuang Guangjie [6782 1639 2638], Situ Hua [0674 1778 5478], Wu Weiyong [6762 4580 1661], Liu Huangfa [0491 4106 4099], T.K. Ann, Xu Jiatun, Xu Chongde [6079 1504 1795], Rui Mu [5360 3092], Li Hou, Lee Kwok-pao, Li Zhuming [2621 2691 6900], Li Yumin [2621 5940 3046], Li Fushan [2621 4395 0810], Li Jiacheng [2621 0857 6134], Xiao Weiyun [5135 5588 0061], Wu Dakun [0702 1129 3824], Wu Jianfan [0702 1696 3879], Zhang Youyu, Chen Xin (female), Chen Chu, Shao Tianren, Lin Hengyuan, Zhou Nan, Zheng Zhengxun, Zheng Weirong [6774 0251 2837], Xiang Chunyi, Rong Yiren, Hu Sheng, Ke Zaili [2688 0961 4351], Cha Liangyong [2686 5328 6978], Cha Jimin [2686 3444 3046], Fei Xiaotong, Fei Yimin, Yong Longgui [0516 7893 2710], Mo Yinggui [5459 2019 3370], Jia Shi, Qian Weichang Qian Changzhao, Guo Dihuo, Rong Yongdao [1369 3057 6670], Ji Pengfei, Huang Lisong [7806 7787 2646], Huang Baoxin [7806 0202 2946], Shi Jueguang [6847 6030 0342], Lu Ping, Qiu Shaoheng, Lei Jiequiong (female), Liao Hui, Liao Yaozhu [1675 3852 3769] (female), Duanmu Zheng [4551 2606 2973], Tan Huizhu [6223 1920 3796] (female), Tan Yaozong [6223 5069 1350] Hus Yingdong.

Secretary general: Li Hou

Deputy secretary generals: Lu Ping, Mao Junnian

Deputies Hold Panel Discussions

OW180537 Beijing Domestic Service in Mandarin 1200 GMT 17 Jun 85

[Text] The 11th Session of the 6th NPC Standing Committee held a joint panel discussion meeting this morning to examine various items on the agenda. The discussion continued into the afternoon, as the deputies vied with one another to deliver speeches on various subjects. This Standing Committee session had been going on for 8 days. Our station reporter held that there were three salient points in this session, as follows:

1. In studying the four draft laws and regulations, the Standing Committee session maintained close touch with reality, and the deputies expressed their own opinions.
2. The deputies had brought along the views on the common people, and put forward measures to solve problems.
3. A democratic atmosphere prevailed at the session.

During the meeting, our station reporter had realized: As for those draft laws conforming with the Constitution and the actual situation, the deputies hope that they will be adopted at an earlier date. As for those needing work, they presented their interpolations to the departments concerned. For example, in examining the draft grassland law, the deputies held discussions over the revised version of the draft law adopted by the last session -- the 10th Standing Committee session. At this session, many deputies said: Grasslands are mainly located in areas inhabited by people of minority nationalities. They suggested adding, in the draft grassland law, words such as: The promotion of local economic development in national autonomous areas. It was also necessary to add a passage such as: In the course of national construction, the state must give due consideration to the interests of the national autonomous areas, when it requisitions, or uses, grasslands. Provisions must be made for arrangements conducive to the economic development of the national autonomous areas. On the basis of the views of the deputies, the regulation against pollution was added. Xiang Chunyi, vice chairman of the NPC Law Committee, once again gave an explanation today on the issue of further revising the draft grassland law. This law, now under study by the deputies, is in the 14th draft.

In examining the draft mineral resources law, and the motion to set up the State Education Commission to replace the Ministry of Education, the deputies offered their opinions on the legislative procedure, and the relevant contents of the motion. They also invited the responsible comrades of the Ministry of Geology and Mineral Resources, and the Ministry of Education to make briefings on this matter. It was understood that the draft mineral resources law and the metrology law will be further revised.

At today's joint discussion meeting, the deputies held: To set up the State Education Commission is an important measure in strengthening leadership over education work. At the same time, the deputies aired their views on existing problems in the field of education. Some of the deputies stressed the need to pay full attention to the promotion of culture and education in national minority areas, remote hilly districts, and old revolutionary base areas. Playing their role well in supervising government work, the deputies also expressed their views on many issues not included in the agenda. Some of them suggested the formulation of the water resources law, while others suggested punishing those who manufacture and sell fake drugs and engage in other illicit activities.

Still others suggested strengthening socialist spiritual civilization, attaching importance to the training of talented women, and enhancing contacts between the Chinese NPC and the parliaments of other countries.

NPC Vice Chairman Chen Pixian presided over today's meeting. NPC Chairman Peng Zhen and other NPC vice chairmen, as well as Vice Premier Li Peng, earnestly listened to the views of the deputies at the meeting.

Deputies Present Views

OW180745 Beijing XINHUA Domestic Service in Chinese 1535 GMT 17 Jun 85

[Excerpts] Beijing, 17 Jun (XINHUA) -- The 11th Session of the 6th NPC Standing Committee held a joint panel discussion meeting today at the Great Hall of the People to further discuss and examine the various topics on the agenda. NPC Chairman Peng Zhen attended the meeting and delivered a speech. NPC Vice Chairman Chen Pixian presided over the meeting.

At the meeting, Xiang Chunyi, vice chairman of the NPC Law Committee, made an explanation on behalf of the Law Committee on the issue of further revising the draft Grassland Law.

Deputy Xu Dixin said: The draft grassland law has been revised fairly well. The possibility of adopting this draft law at the current session should be considered. We should still study several other draft laws, such as the draft mineral resources law, and further revise them.

Deputy Yang Naijun said: The report submitted by Minister Qian Zhengying on flood prevention measures along China's four major rivers is fairly good. It incorporates past experiences. The measures are feasible.

Deputy Jiang Jiafu said: Those NPC Standing Committee members who are physically fit should tour some old liberated areas, national minority areas, border areas, and other poverty-stricken and backward districts. This will be advantageous to us in discussing issues and solving problems. He suggested that the state should further help these areas and districts to promote education.

Deputy Yuan Xuefen said: In order to build socialism with Chinese characteristics, we must pay full attention to the development of socialist spiritual civilization. There are now many problems in the realm of literature and art. It is suggested that the Propaganda Department of the CPC Central Committee, the Ministry of Culture, and other departments strengthen their leadership to solve these problems. The leadership at all levels, from the central authorities to the various localities, and the people's congresses at all levels must pay full attention to raising ideological and cultural standards.

Deputy Mamutov Kurban said: China's slow progress in education is due primarily to the lack of funds. I suggest that some adjustments be made in policy. We should develop fewer large engineering projects and combat waste in all fields. We should allocate more funds to places where such funds are badly needed and spend more money on education. The broad masses of teachers in Xinjiang have worked hard. We should help them to solve some of their actual problems.

Deputy Chen Heqiao said: Some units and individuals are passing fake merchandise as real, are recklessly manufacturing fake merchandise, and are undermining the interests of the consumers. In particular, they manufacture and sell fake and inferior drugs and injure people's health. All these activities are illicit and intolerable.

Deputy Zeng Tao said: NPC Chairman Peng Zhen made full preparations for his visit to Japan this time. His trip was a great success, and was widely acclaimed at home and abroad. The several reports on his visit at this session were also quite favorable. All this indicates that the visits by the NPC delegations abroad had achieved remarkable results. Deputy Liu Da said: Questions in the field of metrology in China now concern scientific standards and production. The metrology law should include metrological questions of the PLA departments.

NPC Chairman Peng Zhen delivered a speech at the end of the meeting. He said: The views expressed by various deputies here are excellent. The grassland law is a nationwide law which can solve only major issues of principle. It is impossible to work this law out in detail. In tackling specific questions in the course of enforcing this law, the State Council may work out rules and the various provinces and autonomous regions may work their own rules for the enforcement of this law. Setting up the State Education Commission to replace the Ministry of Education is aimed at strengthening education work.

Peng Zhen said: Since the founding of the nation, tremendous progress has been made in doing work in the national minority areas; however, the economic and cultural standards in such areas are still fairly low. Henceforth, we should continue to pay attention to work in this field. First, we must develop the economy. Particular efforts must be made to increase production. Second, we must raise our cultural level. Our main efforts must be made on education.

As for work in the fields of ideology and culture, Peng Zhen said: The more we invigorate our economy, the more we must unify our ideas. On what basis must we unify our ideas? We must unify our ideas on the basis of the Constitution. The Constitution has reaffirmed the four fundamental principles. When we talk about ideology, we must regard Marxism-Leninism-Mao Zedong Thought as our guidance. What should we do if we have a difference of opinion on some issues? Let a hundred flowers blossom and a hundred of schools of thought contend! We must allow criticisms as well as counter-criticisms. Social practice is the only criterion in judging right and wrong. Attending today's joint panel discussion meeting were NPC Vice Chairman Geng Biao, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, Yan Jici, and Ye Fei. Vice Premier Li Peng was present at the meeting as a nonvoting deputy to listen to the views and proposals of all those deputies present.

Closing Session Held

OW181734 Beijing XINHUA Domestic Service in Chinese 1319 GMT 18 Jun 85

[Text] Beijing, 18 Jun (XINHUA) -- The 11th Session of the 6th NPC Standing Committee closed at the Great Hall of the People this afternoon. Peng Zhen, chairman of the NPC Standing Committee, attended the closing session, which was chaired by Chen Pixian, vice chairman of the NPC Standing Committee.

The session adopted the "Grasslands Law of the People's Republic of China," and approved the composition of the Committee for Drafting the Basic Law of the Hong Kong Special Administration Region of the People's Republic of China. The grasslands law will become effective 1 October 1985. The session also approved the decision of establishing the State Education Commission to replace the Ministry of Education, the decision on China joining the amended 1961 Single Convention on Narcotic Drugs, which was amended according to the "Protocol on Revising the 1961 Single Convention on Narcotic Drugs," and joining the 1971 Convention on Psychotropic Substances; and the decision on approving the International Telecommunications Convention.

The session also decided to appoint and remove nine ministers: minister in charge of the State Education Commission; minister in charge of the National Defense Science, Technology, and Industry Commission; minister of electronics industry; minister of ordnance Industry; minister of Astronautics Industry; minister of coal industry; minister of railways; minister of radio and television; and minister of petroleum industry. The session also approved other appointments and dismissals.

Speaking at the closing session, Vice Chairman Chen Pixian said: The NPC Standing Committee session heard the explanations on the draft law on mineral resources, the draft regulations on citizens' identification cards, and the draft metrological law. While examining these drafts, members of the NPC Standing Committee presented many opinions on their amendment. In accordance with the Standing Committee's procedures, these opinions will be referred to the Law Committee which, after the session, will work in coordination with various departments concerned to amend the drafts on the basis of the opinions, and the revised drafts will be submitted to the Standing Committee for examination.

Attending the today's session were Vice Chairmen Geng Biao, Xu Deheng, Peng Chong, Zhu Xuefan, Ngapo Ngawang Jigmei, Banqen Erdini Qoigyi Gyancan, Seypidin Aizezi, Yan Jici, Hu Yuzhi, Ye Fei, and Han Xianchu.

Present at the session this afternoon as observers were Li Peng, vice premier of the State Council, and Zheng Tianxiang, president of the Supreme People's Court.

Education Commission Decision

OW181934 Beijing XINHUA Domestic Service in Chinese 1507 GMT 18 Jun 85

[Text] Beijing, 18 Jun (XINHUA) -- Decision of the NPC Standing Committee on the establishment of the State Education Commission to replace the Ministry of Education. (Adopted on 18 June 1985)

The 11th session of the 6th NPC Standing Committee decides that, to strengthen the leadership over education, the State Education Commission will be established. After the establishment of the State Education Commission, the Ministry of Education shall be terminated.

Decree on Grasslands Law

OW181706 Beijing XINHUA Domestic Service in Chinese 1325 GMT 18 Jun 85

[Text] Beijing, 18 Jun (XINHUA) -- Decree of the President of the PRC No 26

The "Grasslands Law of the People's Republic of China" adopted by the 11th session of the 6th NPC Standing Committee of the PRC on 18 June 1985 is hereby promulgated. It will become effective beginning 1 October 1985.

Li Xiannian, president of the PRC 18 June 1985.

Drug Conventions Decision

OW190237 Beijing XINHUA Domestic Service in Chinese 1508 GMT 18 Jun 85

[Text] Beijing, 18 Jun (XINHUA) -- Decision of the NPC Standing Committee on China joining the "Amended 1961 Single Convention on Narcotic Drugs, in Accordance with the "Protocol on Revising the 1961 Single Convention on Narcotic Drugs," and joining the "1971 Convention on Psychotropic Substances" (Adopted on 18 June 1985).

The 11th session of the 6th NPC Standing Committee decided that the PRC would join the "Amended 1961 Single Convention on Narcotic Drugs, in Accordance with the 'Protocol on Revising the 1961 Single Convention of Narcotic Drugs,'" and the "1971 Convention on Psychotropic Substance." It also stated its reservations about Clause 2 of Article 48 of the amended "1961 Single Convention on Narcotic Drugs," and Clause 2 of Article 31 of the "1971 Convention on Psychotropic Substances." Attached are the two clauses, with reservations, in the "decision":

1. Clause 2 of Article 48 of the "Amended 1961 Single Convention on Narcotic Drugs, in Accordance with the 'Protocol on Revising the 1961 Single Convention on Narcotic Drugs'": "Should any of these disputes not be resolved by the ways stipulated in Item 1, it should be arbitrated by the International Court of Justice."
2. Clause 2 of Article 31 of the "1971 Convention on Psychotropic Substances": "2. At the request of either of the two disputing countries, unable to settle their dispute in accordance with the aforesaid ways, the dispute should be arbitrated by the International Court of Justice."

Telecommunications Convention Decision

OW190127 Beijing XINHUA Domestic Service in Chinese 1522 GMT 18 Jun 85

[Text] Beijing, 18 Jun (XINHUA) -- Decision of the NPC Standing Committee on ratifying the "International Telecommunications Convention" (Adopted on 18 June 1985)

The 11th session of the 6th NPC Standing Committee decides to ratify the "International Telecommunications Convention" signed in Nairobi on 6 November 1982 [as received] by the chief and deputy chief delegates of the Chinese delegation attending the plenipotentiary congress of the International Telecommunications Union on behalf of the government of the PRC.

COLLECTION OF NPC LAWS, DECISIONS PUBLISHED

OW150906 Beijing XINHUA in English 0639 GMT 15 Jun 85

[Text] Beijing, June 15 (XINHUA) -- A collection of all the laws and decisions made by the National People's Congress and its Standing Committee between 1979 and 1984 was published here on Friday.

The single volume, containing 420,000 Chinese characters, is the first such legal collection compiled by the Legislative Affairs Commission under the NPC Standing Committee. During the six-year period, 34 laws were passed. Fifteen of them were basic laws drawn up to comply with the Constitution, and the others were decisions on revisions and amendments to existing laws. China's efforts to establish and improve its legal system were hit by the chaotic Cultural Revolution, but were resumed again in earnest in 1979, when the Second Session of the Fifth NPC adopted seven new laws.

"Collection of Laws of the People's Republic of China, 1979-1984" will be available from XINHUA bookshops throughout China.

STATE COUNCIL APPOINTS, DISMISSES OFFICIALS

OW191036 Beijing XINHUA Domestic Service in Chinese 0303 GMT 19 Jun 85

[Text] Beijing, 19 Jun (XINHUA) -- The State Council appointed a number of state functionaries and removed one from office on 18 June.

Chen Muhua was appointed to serve concurrently as chairman of the Council of the People's Bank of China. He Dongchang, Yang Haibo, Zhu Kaixuan [2612 7030 6513], Liu Bin [2692 2430], Peng Peiyun (female), Zou Shiyan [6760 2514 3508], Wang Mingda [3769 2494 6671], and Liu Zhongde [0491 1813 1795] were appointed vice ministers in charge of the State Education Commission. Lu Peijian was removed from his post as chairman of the Council of the People's Bank of China.

TEMPORARY VEGETABLE CEILING PRICE ADOPTED

HK180315 Beijing CHINA DAILY in English 18 Jun 85 p 3

[Excerpt] The state-run vegetable business should continue to play its role in balancing supply and demand in the local vegetable markets, now that the state has relaxed its control over vegetable prices, a national conference was told.

Officials from Beijing, Shanghai, Wuhan, Guangzhou, Nanning and Chongqing attending the Six Major Cities Vegetable Supply Conference, which ended in the capital on Saturday, were told at the conference they should pay special attention to regulating the cities vegetable supplies and preventing drastic price fluctuations caused by shortage or glut.

"State-run vegetable companies should be responsible for opening more channels of supply while maintaining a steady flow of vegetables in sufficient variety and at stable prices," the conference concluded. The conference followed a recent vegetable shortage in Beijing, which had prompted the city government to purchase large quantities of vegetables from other areas and sell them at reduced prices to the capital's residents over the past two weeks.

At the conference the officials agreed that state-run vegetable stores should adopt a ceiling price for some major vegetables "temporarily" in a bid to curb price fluctuations.

ZHANG TINGFA ARTICLES ON USING MORE GIFTED PEOPLE

30 May GUANGMING RIBAO Article

HK071540 Beijing GUANGMING RIBAO in Chinese 30 May 85 p 1

[Article by Zhang Tingfa: "Create Conditions for More Luo Shanggong's To Appear"]

[Text] Comrade Luo Shanggong is director of the Otolaryngological Department of the Changchun Air Force Hospital. I saw him several times and know something about his work, study, and life. I have also talked with some patients who have been treated and cured by him and listened to their opinions of him. He has made three achievements in scientific research, thus making contributions to the construction of the Air Force and to releasing the masses of people from pain. His lofty moral character and hardworking spirit in scientific research have touched the people deeply. Luo Shanggong is indeed a good comrade, who has lofty ideals and morality and is good at observing discipline. He is a good doctor, who has made remarkable contributions, and is an outstanding representative of the intellectuals in our Air Force. The broad masses of intellectuals and all commanders and fighters in the Air Force, as well as I myself must learn from him.

At present, when the whole party and the people throughout the country are working with one heart and one mind to realize the four modernizations, what kind of spirit and mental outlook should a communist or an advanced person have?

In my opinion, he should have ideals, morality, and cultural knowledge and should observe discipline and contribute to the realization of the great cause of four modernizations. There are no empty ideals. They are closely related with doing one's own job well and making contributions for the people. The reason why we should learn from him is that this is the demand of our times and the demand of the vigorous development of the party's cause. Many intellectuals in our country are displaying this spirit of our times. No matter how rough and bumpy the roads and how difficult the circumstances, they always follow the party with one heart and one mind, devote every effort to their work, and serve the people wholeheartedly. What they always have in their minds is how to make greater contributions for the people, rather than asking for more from the state. Their achievements, which have been made under conditions where the entire scientific and technological level of our country is still very low, are the pride of our country and the pride of our people. Comrade Luo Shanggong is one of China's thousands upon thousands of outstanding intellectuals, who have been brought up by the party and who have constantly tempered themselves in hard struggle over the past decades.

Comrade Luo Shanggong has displayed the lofty morality of a medical worker. He said: "If a doctor does not love his patient, he is not a good doctor." With his consummate skill in medical treatment, he serves the patients wholeheartedly, thus winning praise and confidence from the masses. He also has a valuable spirit of devotion, perseverance, and hard struggle. Many times, he experimented on his own body, at the risk that he might become paralyzed. Even when he was politically wronged during the "Cultural Revolution," he remained firm and unshakable in his cause. Under poor conditions, he made remarkable achievements in scientific research, and won the state's second and third prizes for inventions and the first prize of the Army for scientific achievement. It was really very hard to make such an achievement.

We have countless outstanding intellectuals like Luo Shangguo who are working conscientiously at their posts. What is the correct attitude we should take toward them? Comrade Deng Xiaoping has emphasized "respecting knowledge and respecting gifted people" for many years. Recently he pointed out again: The first thing I care for, and the most important thing in the reform of the economic structure is the gifted people; in the reform of the scientific and technological system, the first thing I care for is also the gifted people. This reflects the party's loving care for the intellectuals, and is also the key to the success of the reform. All units and all comrades, especially the leading comrades, must conscientiously study these remarks, grasp their essence, and implement them in an earnest manner. Whether the gifted people are discovered, united with, used, and treasured is an important symbol to judge whether a leader is mature. We must fully affirm the role and contributions of the intellectuals in the construction of the country and the Army and must establish an idea that knowledge and intellectuals form the foundation stone of the construction of our country and the modernization of our Army. The broad masses of intellectuals have high aspirations and ambitions. We must use them rationally, pay attention to giving play to their roles in their work, and create good conditions for their work. In all units, there should be an atmosphere of respecting knowledge and respecting the gifted people so that more and more achievements can be made and more and more gifted people can be discovered. We must realize that stifling both real talents and achievements is a sin. It is necessary to make efforts to eliminate "leftist" influences and mobilize the initiative of the people through implementing policies. The leaders must support the people who have real ability and noble aspirations, and who are capable of making inventions, and so must the masses.

If there are any obstructions in the work of using able people and encouraging achievements, the leaders at various levels should personally take up the matter to get rid of the obstructions. When necessary, the leaders at higher levels must become involved in the matter. Being leading comrades, we must create a good environment and favorable conditions for the emergence and nurturing of top talent.

I am glad of the emergence of outstanding intellectuals such as Luo Shanggong in the Air Force. I am also willing to work together with the leaders and the commanders and fighters of the Air Force to create conditions for the emergence of more and more such outstanding intellectuals in the Air Force so that the modernization drive in the Air Force can be accelerated.

13 Jun JIEFANG RIBAO Article

OW190047 Shanghai JIEFANG RIBAO in Chinese 13 Jun 85 p 1

[Article by Zhang Tingfa, member of the Political Bureau of the CPC Central Committee and commander of the Chinese PLA Air Force: "Boldly Appoint Qualified Personnel To Speed Up Army Building"]

[Text] I have read the report "A Flight Division Which Advances While Making Reforms." The flight division has undergone tremendous changes in recent years, and rapidly enhanced its combat effectiveness. There are many, not just one or two, flight divisions of this kind in the Air Force. Compared with the period prior to the 3d Plenary Session of the 11th CPC Central Committee, these units have as many people, their duty stations have not changed, and their aircraft equipment has not improved. So how did the Army units freshen their outlook so quickly, and considerably improve their military and political quality? The reasons are many, of course. However, I feel that the most important is that they have resolutely implemented the CPC Central Committee's principle of bringing in more revolutionary, younger, better educated, and more professionally competent cadres; respected knowledge and qualified personnel; boldly selected, and appointed, capable people; and improved the structure of their leading bodies. Nothing else could be achieved without these.

As is the case with local economic development, the Army is badly in need of knowledge and qualified personnel to achieve modernization. Without them, good policies and ideas could not be put into practice. Appointing qualified personnel is the key to developing the productive forces, as well as to enhancing Army units' combat effectiveness. Over the years, following the directives of the CPC Central Committee and Chairman Deng of the Central Military Commission on "respecting knowledge and qualified personnel," we have made great efforts to discover, train, and appoint qualified personnel. Large numbers of cadres, having ability and political integrity, in the prime of life, good pilots, and professionally competent, have been appointed to leading posts at all levels. Now, commanders of the Air Force in the military regions, and corps commanders are capable of leading a group in air combat. Most commanders of the flight divisions are about 40 years old, the youngest being 35. Some flight regimental commanders are about 27 or 28 years old. Taking part in the Air Force flight formation reviewed at the 35th National Day in Beijing last year was a 28-year-old regimental commander. With the help of their superiors, and the support of veteran comrades, most of the young comrades have performed well after being promoted to leading posts. They are energetic and knowledgeable, and are men of action. They have improved in terms of mental sharpness in accepting new things, the method of studying problems, the profundity with which they ponder problems, and the ability to solve those problems.

Particularly noteworthy is their use of scientific knowledge to train and manage Army units, and lead the Army in a civilized manner, thereby bringing vitality to these units. In recent years, flight units of the Air Force have surpassed their previous peak in terms of combat effectiveness, and new records in bombing and air marksmanship have been set. Flight safety ranks among the first in the world. All this is closely related to the efforts to discover, and appoint, qualified personnel.

It should be noted that, after all these years of practice, the concept of respecting knowledge and qualified personnel has been gradually accepted by most people. However, it is not easy to turn this into action, and show that respect practically. We need to remove obstacles.

First, the habit of laying undue stress on seniority should be smashed. We should boldly promote, and appoint, qualified personnel by circumventing the regulations. Laying undue stress on seniority is an outmoded mentality, which should be discarded. People agree to this verbally, but to translate it into action is quite difficult. This mentality takes hold, consciously or unconsciously, when making personnel appointments. It shows itself here and there. We should especially guard against this problem, and repeatedly urge leading cadres and cadres' departments at all levels to have the courage to offend a few people. It is better to hurt their feelings than to overstress seniority, practice accommodationism and favoritism, damage the party's cause, and Army building.

Next, the idea of nitpicking is still deeply ingrained in some people's minds. You want to promote a young and outstanding cadre, and some people would say that he is too junior, and not experienced enough. Comrades holding unique views are usually accused of being "arrogant" and "disobedient"; people with dash and energy are invariably viewed as "rash" and "lacking in steadiness"; people without regular schooling are despised, even if they have made achievements; and talented people, with some weaknesses or drawbacks, are treated with prejudice, and their important contributions neglected. All in all, while promoting and using cadres, especially when selecting young cadres by circumventing the regulations, people tend to be picky. If leaders allow these undesirable practices to spread, talent will be suppressed and stifled. Under these circumstances, leading cadres should cling to their own views. They should not be swayed by incorrect comments. They should boldly stand up, speak out, persuade people, explain things to them, and fully promote young and outstanding personnel.

It is also very important to smash the egalitarian practice of giving the same treatment to all, regardless of their performance. In the past, people were used to "eating from the same big pot" in the cadres' system. One of their outworn concepts is that, once a cadre is promoted, he is safe. As long as he does not commit serious mistakes, or create great problems, he can get along well, or even get promoted, even if his work is only mediocre. This practice does nothing to arouse the cadres' enthusiasm. Even outstanding cadres will be tired out and stifled. There should be a set of effective measures to train capable people, and to arouse the cadres' enthusiasm. That is to say, diligent and outstanding people should be rewarded, lazy and poor performers should be punished, and rewards and penalties should be strictly meted out. Otherwise, the system of personal responsibility will be reduced to mere formality, even prohibitive orders will not work. Over the years, we have rewarded those who have truly made contributions, and who have displayed outstanding talents in their work. We have promoted them by circumventing the regulations. For instance, the former commander of this division has been promoted to corps commander. The present divisional commander was also promoted from regimental commander.

Intellectuals, scientists, and technicians, who have made outstanding achievements, and produced inventions, have also received the same treatment. They have been given physical and mental rewards, including promotion, citation certificates, bonuses, even honorable titles. On the other hand, last year, we demoted and dismissed several cadres, at corps and divisional level, who proved to be incapable of handling their jobs after a certain observation period. This has stirred Army units, and large numbers of cadres have been inspired to seek improvement and do creative work.

To be successful in its work, it is important that a unit have a good leader. But this one point is not enough. There should be a cooperative leading body. If a leading body is not cooperative, and if its members compete with one another for higher positions, the strengths of a very capable leader will be sapped, and it will be difficult to perform his work well. Therefore, we have always reminded young cadres, newly appointed to leading posts, to respect veteran comrades, and have reminded veteran comrades to enthusiastically support young cadres, and join with them in ensuring success in their work. Judging from the present state of affairs, an overwhelming majority of the veteran comrades are imbued with party spirit, political consciousness, and broad vision. They are willing to be human ladders. This is very valuable spirit.

Currently, Army units are conducting structural reform, streamlining their administration, and reorganizing the troops. This strategic action is subordinated to the overall situation, that is, national economic development. Under these new circumstances, we should continue to boldly appoint qualified personnel, further improve the quality of leading bodies at all levels, ensure success in Army building, support state economic construction, and make fresh contributions to the great cause of the four modernizations.

RENMIN RIBAO ON BEIJING ARMY RECTIFICATION

HK180809 Beijing RENMIN RIBAO in Chinese 14 Jun 85 p 4

[Report by Tu Guozhi, Huang Chuanze, and Fu Yongguo: "Leading Members of the CPC Committee and Office Cadres of a Certain Army of the Beijing Military Region Seriously Take Part in Party Rectification"]

[Text] Faced with the task of streamlining and reorganizing troops, the leading members of the CPC Committee and office cadres of a certain army of the Beijing Military Region have upheld party spirit, given consideration to the overall situation, and conscientiously taken part in party rectification. They have been commended by the investigation and study group of the PLA Party Rectification Office and the leading comrades of the Beijing Military Region.

In the previous period, some leading members and office cadres of this army had doubts and misgivings when hearing about the PLA streamlining and reorganization program. Some comrades who thought that they would have to quit the Army soon began to do work perfunctorily in examining their work. Feeling that it would be too rude to criticize others for their shortcomings as they might not work together with their colleagues any longer, some comrades failed to take an active part in criticism. In light of the actual situation, the members of the CPC Committee and office cadres of the army studied anew the directives issued by the CPC Central Committee and the Central Military Commission on the party rectification and the PLA streamlining and reorganization. In consequence, everybody has clearly understood that whether the party rectification succeeds or not has an important bearing on the great cause of the four modernizations in our country, the building of the PLA, and the growth of every party member in the future; and that a successful party rectification will lay a sound foundation for the streamlining and reorganization of the PLA.

Having reached a common understanding, the members of the CPC Committee and office cadres of the army began to conscientiously take part in and exercise leadership over the party rectification, while making proper preparations for their own withdrawal from the Army and for the process of streamlining the troops as well. In order to ensure that both the task of party rectification and routine duties are fulfilled without fail, they have strictly carried out the higher authorities' instruction in setting aside 4 days for party rectification every week and, at the same time, have extended the office hours into the evening.

In mid-May, before the party rectification entered the stage of comparison and examination, in order to discover the exact problems concerning the leading body and individuals, members of the Standing Committee of the army CPC Committee separately had heart-to-heart talks and held forums with more than 100 office cadres, leading comrades of divisions and regiments, and retired old comrades, and thus collected more than 130 suggestions. The Standing Committee drafted a preliminary program for collective comparison and examination, printed it, and issued copies to office cadres for discussion. The members of the Standing Committee then revised the preliminary program five times. After that, the Standing Committee of the CPC Committee of the army carried out comparison and examination based on the revised program at a meeting of party members of the army General Office. With members of the Standing Committee taking the lead, party members of the army General Office conscientiously carried out comparison and examination. Many of them repeatedly solicited opinions from among other comrades to find out precisely their own problems. After comparison and examination, those comrades who formerly showed doubts and misgivings about the Army streamlining and reorganization have pledged to give more consideration to the interests of the party and the Army, to forget selfish calculations, and to stand the test at the crucial moment.

So far the CPC Committee of this army has solved 16 out of 20 major issues on which the masses have lodged most complaints, with the rest being processed. Based on a proposal set forth by cadres and fighters at the grass-roots level, the army CPC Committee and office have listed the improvement of administration and education of the troops as an important aspect of the process of comparison and examination. The principal leading people of the army, divisions, and regiments, as well as office cadres, have formed more than 50 working groups to go down to companies to listen to the fighters' opinions and have mobilized the cadres and fighters of the whole army to engage in a massive discussion on the way to run an army in the 1980's. As a result, they have helped some cadres to overcome some of their prejudices, such as, "the knack of running an army is to keep the soldiers busy;" "penalty, warning, and pressure are the best way to make the soldiers obey the commander;" and so on. All the divisions and regiments have organized training classes for grass-roots cadres to teach them how to manage and educate the fighters using new methods, and have publicized more than 70 typical cases of good army leaders. As a result, the army has made substantial progress in administration and education work.

The cadres are now more satisfied with the fighters and can manage them with ease. At the same time, the cases of fighters contradicting cadres have been reduced considerably. An intimate relationship between officers and men which has seldom been seen for years is emerging in the army, various types of incidents have been substantially reduced, and the work of the army has been constantly improved.

CUI YUELI AT PHARMAECUTICAL LAW MEETING

OW141433 Beijing XINHUA Domestic Service in Chinese 1228 GMT 12 Jun 85

[By reporter Zhou Peiyan]

[Excerpts] Beijing, 12 Jun (XINHUA) -- At a national meeting on implementation of the pharmaceutical management law which opened today, Public Health Minister Cui Yueli emphatically pointed out: Pharmaceuticals have a direct bearing on people's physical health and daily life; therefore, we must stop the unscrupulous production, sale, and use of pharmaceuticals. Pharmaceutical departments in all localities should conduct inspections in accordance with the stipulations of the "pharmaceutical management law" and ensure that the law is strictly observed and enforced and that lawbreakers are punished.

Song Rufen, vice chairman of the NPC Standing Committee's Legal System Work Commission, said at the meeting: Strict control over the production and management of pharmaceuticals is the legislative purpose of the "pharmaceutical management law" and is an assumption of responsibility for the people's health. It conforms with the people's aspirations and demands as well as our country's socialist nature.

He said: The promulgation of the "pharmaceutical management law" is supported by the people throughout the country. However, its implementation requires hard efforts and struggle. It calls for struggle against lawbreaking and criminal activities as well as against ideology that does not attach importance to the legal system and supports actions against law.

Qi Moujia, director of the State Pharmaceutical Control Bureau, said at the meeting that the implementation of the "pharmaceutical management law" is a common task for the broad masses of medical and public health workers and the people throughout the country. He hoped that public health, medical, and other departments concerned would support and cooperate with each other and strive to bring about true implementation of the "pharmaceutical management law" in the interests of the whole situation.

Hu Ximing, vice minister of public health, called on judicial personnel at all levels, supervisory and administrative departments, and the broad masses of cadres and people to understand, be familiar with, have a good grasp of, and apply the "pharmaceutical management law."

COMMENTATOR ON MACROECONOMICS, MICROECONOMIC

OW161740 Beijing XINHUA Domestic Service in Chinese 1238 GMT 14 Jun 85

[XINHUA commentator: "Is It True That Macroeconomic Control Has Nothing To Do With Local Areas and Enterprises?"]

[Text] Beijing, 14 Jun (XINHUA) -- In discussing strengthening macroeconomic control, some comrades in various localities and enterprises have always held that it was a matter for the central departments and had little to do with their respective localities and enterprises. Is this true?

Taking the country as a whole, the central departments are certainly responsible for the control of macroeconomic activities. However, we cannot say that macroeconomic activities have nothing to do with the localities and enterprises.

Many macroeconomic activities such as the distribution of national income, the arrangement of a ratio between accumulation and consumption, the adjustment of the total social supply and demand and the improvement of industrial structure and productivity do not seem to be tasks to be assumed directly by various localities and enterprises but are closely related to various localities and enterprises. They are implemented through numerous microeconomic activities.

The current control of the amount of investment in fixed assets, for example, calls on all localities and enterprises to take the whole situation into consideration and firmly implement the unified arrangements made by the central authorities. We must guarantee the successful building of energy, transportation, communications, electronic industry, raw materials, and other key projects to meet the urgent needs of the national economy. But we should only do what we can according to our capability in building other projects. We should build necessary projects, stop unnecessary ones, postpone projects which are not urgently needed, and reduce the scale of certain projects. We must not stress our own need and vie with one another to build all projects. Only in this way can we implement the central authorities' demand to control the amount of investment in fixed assets. Otherwise, it will become empty words.

Leading personnel of various localities and enterprises should establish an overall viewpoint in handling microeconomic activities. They should take the whole country into consideration instead of merely thinking about the local interests in carrying out reform, building a project, or taking some important measures. They should consciously do things in the interest of macroeconomic activities.

The whole country and local units are interdependent and their basic interests coincide although sometimes there are some contradictions on some specific questions. Some economic activities are feasible from the local point of view but may be not desirable from the national point of view, while some economic activities are desirable from the national point of view but may not be feasible from the local point of view. In handling those contradictions, we can only adhere to one principle; that is, the local interests must be subordinated to the interests of the whole country.

We do not mean that we can overlook the interests of the local units. The whole country is composed of all local units. In this sense, we can say that local units are the foundation. We cannot do a good job in building the country if all local units are bad. Therefore, the central authorities should show concern for, take good care of, and support the local units so that the local units can be full of vitality. An important purpose in strengthening macroeconomic control is to create conditions for activating the microeconomic activities and to ensure that microeconomic activities are proceeding along the correct road. It is certainly not to return to the old road of strangling microeconomic activities.

In the final analysis, we still advocate the following: We should properly manage and control macroeconomic activities but should enliven microeconomic activities. We must not randomly emphasize one sentence and overlook the other according to our own will.

MINISTRY ON CHINESE WORKING ABROAD ON CONTRACT

OW150833 Beijing XINHUA Domestic Service in Chinese 0135 GMT 13 Jun 85

[Excerpts] Nanjing, 13 Jun (XINHUA) -- The Ministry of Foreign Economic Relations and Trade recently held a national conference in Changzhou, Jiangsu on construction contracts and labor service cooperation abroad. Information gathered from this conference shows that over 50,000 personnel working abroad on construction contracts and labor service cooperation have won a good reputation for the motherland with their patriotism and internationalism and their good discipline, good construction quality, and good work style of keeping their word and having good faith.

Construction contracts and labor service cooperation are China's new undertakings in the past 5 years. As of the end of May this year, China had signed more than 2,000 contracts with 71 countries and regions on labor service and construction worth a total of \$4 billion. So far, \$1.5 billion worth of work has been completed. In the beginning, we supplied only labor service; now, we are mainly accepting construction contracts. Last year, these contracts accounted for 90 percent of our total labor service contracts. The number of bigger construction projects keeps increasing. At present, there are four big construction projects each worth over \$100 million.

The construction workers sent by the China Civil Engineering Company to a Middle East country firmly honored the contract by working normally within the time limit, and successfully fulfilled the mission despite the threat of war flames. They won high praises of the project owner and the former contract broker.

WANG ZHEN, OTHERS PAY LAST RESPECTS TO LI XIN

OW161123 Beijing XINHUA Domestic Service in Chinese 0805 GMT 15 Jun 85

[Excerpts] Beijing, 15 Jun (XINHUA) -- Li Xin, former adviser to the PLA artillery, died of illness in Beijing on 26 May 1985 at the age of 78. A ceremony to pay last respects to Comrade Li Xin was held at the auditorium of Babaoshan Revolutionary Cemetery on 7 June.

Hu Yaobang, Chen Yun, Nie Rongzhen, Wang Zhen, Yang Shangkun, Yang Dezhi, Song Renqiong, Qin Jiwei, Wang Ping, He Changgong, Wang Heshou, Zhang Aiping, Hong Xuezhi, Yang Chengwu, and other leading comrades, as well as the Central Military Commission, the CPPCC National Committee, the PLA General Staff Headquarters, the PLA General Political Department, the PLA General Logistics Department, the Commission of Science, Technology, and Industry for National Defense, the Hunan Provincial CPC Committee, the Hunan Provincial People's Government the Hunan Provincial Military District, and other units sent wreaths. Wang Zhen, Yu Qiuli, Song Renqiong, Wang Ping, Wang Shoudao, Xiao Ke, Song Shilun, Liao Hansheng, and Hong Xuezhi paid their last respects to the remains of Comrade Li Xin.

LEADERS MOURN DEATH OF CPPCC COMMITTEE MEMBER

OW161139 Beijing XINHUA Domestic Service in Chinese 0835 GMT 14 Jun 85

[Excerpts] Beijing, 14 Jun (XINHUA) -- Comrade Wang Kejun, member of the Standing Committee of the Sixth CPPCC National Committee, who was a non-party patriot and an old friend of the Communist Party of China, died of illness in Beijing on 1 June, 1985 at the age of 77 despite medical treatment. A ceremony to pay last respects to the remains of Comrade Wang Kejun was held at Beijing hospital this morning.

Deng Yingchao, Xi Zhongxun, Yang Shangkun, Bo Yibo, Liu Lantao, Lu Dingyi, Cheng Zihua, Yang Jingren, Kang Keqing, Ji Fang, Zhuang Xiquan, Hu Ziang, Wang Kunlun, Qian Changzhao, Dong Qiwu, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Fei Xiaotong, Zhao Puchu, Ye Shengtao, Qu Wu, Mao Yisheng, the CPPCC National Committee, and the United Front Work Department of the CPC Central Committee presented wreaths.

Xi Zhongxun, Liu Lantao, Qian Changzhao, Dong Qiwu, and Miao Yuntai attended the ceremony to pay their last respects to the deceased. Also attending the ceremony were some Standing Committee members and members of the CPPCC National Committee in Beijing; the secretary general and deputy secretaries general of the CPPCC National Committee; responsible comrades of the United Front Work Department of the CPC Central Committee; friends of Comrade Wang Kejun; staff members of the offices of the CPPCC National Committee; and other personages, totaling more than 300 people.

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BAI DONGCAI DELIVERS JIANGXI WORK REPORT

OW181341 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 11 Jun 85

[Text] In his report on provincial economic construction delivered at the Eighth Jiangxi Provincial CPC Congress, Comrade Bai Dongcai urged Jiangxi to become a frontier with a strong economy, lively culture, well-developed science and technology, and comparatively well-off population at the end of this century.

Comrade Bai Dongcai said: In consideration of the strategic goals set at the 12th CPC National Congress and the current situation in Jiangxi, the province's mid- and long-term goal in economic development is to strive to double the 1980 annual gross agricultural and industrial production value by 1988. The province should strive to come near or reach the leading position in the country in the four general economic indexes -- per capita annual gross agricultural and industrial production value, national income, financial revenue, peasant's net income -- by 1990. The 1980 annual gross agricultural and industrial production value should quadruple by the end of this century and the province should gradually become a frontier with a strong economy, lively culture, well-developed science and technology, and comparatively well-off population.

To reach these goals, we must seriously implement the general guiding thought and principle set by Comrade Hu Yaobang who said Jiangxi should speed up its economic development a little faster than the nation's average, and should be bolder in invigorating economy at home and opening to the outside world. We should be pragmatic and give full play to our advantages in resources. For the time being, we should especially give full play to agricultural advantages, making Jiangxi an important base for commercial grain and food industry in China. At the same time, we must fully tap the advantages in mining resources and exploit nonferrous metals and nonmetals, making Jiangxi an important base for nonferrous metals and building materials in China so as to turn resources advantages in our province into economic advantages as soon as possible.

Comrade Bai Dongcai said: The strategic measures to be taken in revitalizing Jiangxi's economy should be centered on economic results. It is necessary to take the road of internal expansion and reproduction to revitalize Jiangxi's economy. We should pay equal attention to and link long- and short-term economic development together. Economic development should go hand in hand with social and scientific and technical development. We should give priority to intellectual development. Key cities should be given free reign to play their roles. We should establish an open and multi-layered type of commodity economic system and an economic structure with Jiangxi's characteristics, letting the whole economy develop in a coordinated way and at a measured pace.

Two strategic steps should be taken to develop economy. The first decade should be devoted to laying the foundation for economic development and the next for full development. All in all, if we remain steadfast to the lines, principles and policies laid down by the party Central Committee, make good use of advantageous conditions, provide good guidance, do good work, and avoid making big mistakes, we will surely overcome difficulties and attain the goal of quadrupling the economy.

LIANG BUTING SPEAKS AT SHANDONG PETITION MEETING

SK180412 Jinan Shandong Provincial Service in Mandarin 2300 GMT 17 Jun 85

[Text] At a provincial conference, which concluded on 17 June, on dealing with people's petitions, Liang Buting, secretary of the provincial CPC Committee, delivered an important speech in which he urged the leading personnel at all levels to steadily enhance their understanding of the importance of dealing with the people's letters and visits, to strengthen leadership over work in this regard, and to strive to upgrade this work to a new level.

In his speech Liang Buting stated: Over the past year and more our province has scored better achievements in dealing with the people's petitions. According to incomplete statistics, the cities, prefectures, and counties of the province have handled more than 203,600 cases of the people's petition letters and visits. The majority of problems reflected by the masses have been dealt with in a timely manner. However, generally speaking, we still are unable to meet the demands set forth by the party's general task and imposed on us by the new situation. In the new historical period we have not brought into full play the due role of work concerning people's petitions. The major reasons for this problem are that some leading personnel have not attached importance to this work and regard it as trouble that will affect their own work, and that some engage in bureaucracy in which they never deal with problems but only submit the cases level by level.

In his speech Comrade Liang Buting stressed that efforts should be made to resolutely adopt effective measures to deal with some existing and prominent problems and to strive to create a new situation in the work of dealing with the people's petitions. He urged party committees and the governments at all levels to attach great importance to this work. The principal leading personnel of cities, prefectures, and counties should resolutely spend half of each day for a month studying the work of dealing with the people's petitions and should take personal charge of reading or responding to the people's important letters, receiving people's visits concerning important petitions, and investigating and dealing with some important and typical cases. They should regard the earnest disposition of the people's letters and visits as an important channel of carrying out investigation and knowing the people well.

As for the problems specified in the people's letters and visits, the cities, prefectures, and counties should examine them one by one and verify the facts regarding these problems. Those that deserve to be dealt with should be solved as rapidly as possible. A clear explanation should be given to people in cases that cannot be solved. Efforts should be made to instruct or conduct criticism of those who have raised excessively high demands or who have even been deliberately provocative. The problems of people's letters and visits should be dealt with preferably at the grass-roots levels in order to prevent the presentation of appeals and complaints to higher levels by bypassing the immediate leadership. The party committees and governments at all levels should refrain from empty talk and should conduct much practical work. The departments in charge of dealing with the people's petitions should strengthen their work of self-improvement and firmly foster the thinking of serving the people wholeheartedly so as to upgrade the quality of their work.

The provincial conference on dealing with the people's appeals and complaints was held in Jinan City from 13 to 17 June. The conference relayed the important speeches given by the central comrades, including Hu Yaobang, summed up the work done since 1984 in dealing with the people's letters and visits, exchanged experiences gained in work, discussed a motion on strengthening this work at the county level, and studied future tasks in this work. Ma Changgui, provincial vice governor, attended the conference.

ZHEJIANG HOLDS MEETING ON ECONOMIC COOPERATION

OW171441 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 16 Jun 85

[Text] The opening ceremony of the Zhejiang provincial negotiations for economic and technological cooperation was solemnly held in Hangzhou this morning. Some 1,000 leading comrades and representatives from the State Planning Commission, the State Economic Commission, and other concerned departments and commissions under the State Council, as well as from corporations, other provinces, municipalities, autonomous regions, some large-scale key enterprises, and from Zhejiang Province itself attended the meeting. The province's economic departments made enormous preparations for the meeting, and proposed 1,107 cooperation projects for negotiations. These projects involved all aspects of cooperation in material and equipment, technology, capital, personnel, and others.

Vice Governor Shen Zulun presided over the opening ceremony which was attended by Lu Dong, minister in charge of State Economic Commission; and Wang Fang, Tie Ying, Chen Zuolin, Li Fengping, Wang Jiayang, and other leading comrades from the provincial CPC Committee, the provincial Advisory Commission, the provincial Planning Department, the provincial People's Congress, the provincial people's government, and the provincial CPPCC Committee.

In his address at the meeting, Governor Xue Ju said: Economic and technological cooperation in Zhejiang Province began in 1979. In the following 5 years, the total amount of turnover in cooperation in material and equipment alone reached 2 billion yuan. At present, the scope of cooperation has expanded from material and equipment to technology, capital, personnel, as well as economic association. This has provided a firm foundation for further development of horizontal economic ties. He also spoke about Zhejiang Province's advantages in geography, marine transportation and resources, agriculture, light industry, tourism, and other areas. At the same time, he noted the weak links hampering Zhejiang's economic development. Governor Xue Ju said: It is necessary to open wide the doors of Zhejiang to the rest of the country, and to further consolidate as well as develop extensive, long-term and steady cooperation with other localities and enterprises.

Lu Dong, minister in charge of the State Economic Commission, also spoke at the meeting.

Governor on Joint Ventures

OW190201 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 16 Jun 85

[Text] At today's opening ceremony of the Zhejiang provincial negotiation meeting on economic and technological cooperation, Governor Xue Ju said: Zhejiang Province will adopt a policy of preferential treatment, based on the principle of mutual benefits for all funds, technologies, and specialized people introduced to the province from our sister provinces, municipalities, and autonomous regions. Prices of all materials and products involved in cooperation projects may be based on agreements on favorable prices reached by the parties to the cooperation project.

For joint ventures with Zhejiang Province, or enterprises completely owned by investors from other localities, particularly development-type projects and those employing advanced technology, priority will be given to project examination, choosing a construction site, land requisitioning, project execution, construction support, supply of labor, and government registration. Provincial government regulations on delegating powers to lower levels, applying to state, collective, village, and town enterprises, are also applicable to these enterprises. He said: Profits from joint ventures may be divided before paying tax. Investors may bring back their profit and pay income tax in their home towns. Those investing in development-type enterprises in (Tanan,) Taishun, Yongjia, Wencheng, and Jinyun Counties, which are relatively impoverished, will be given an exemption from paying income tax for 5 years.

Xue Ju said: Technical workers, management personnel, and family members of investors, possessing urban resident status, may apply for permanent resident status in the place where their enterprises are located. Units and individuals, who have achieved good economic results in Zhejiang in technological transformation, in transferring technological research results, assisting research projects, or providing technical information or advanced technology and equipment, will be given monetary remuneration by recipient units. Those providing useful economic information, consultative services, or rationalization proposals, will also be given rewards commensurate with their economic results. Those making outstanding contributions will be well rewarded.

GUANGDONG MOVES TO DEAL WITH DEPRESSED EXPORTS

HK160756 Beijing ZHONGGUO XINWEN SHE in Chinese 0633 GMT 14 Jun 85

[Roundup by reporter Zhang Xu: "Guangdong Has Adopted Measures To End Depressed Exports" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 14 Jun (ZHONGGUO XINWEN SHE) -- Due to interference by various factors, Guangdong Province has been puzzled by a depression in the export trade since the beginning of this year. The departments concerned are now taking measures to revitalize the export trade.

From January to May this year, Guangdong Province fulfilled only 26.8 percent of the year's export quota, in other words, it is 1 and 1/2 months behind schedule. The export volumes of more than 10 major export items, except grain, edible oils, and tea, are lower than those recorded in the same period last year. Short supplies of goods is one conspicuous factor resulting in the above situation, among other factors such as capricious policies and an unstable system. The implementation of the open pricing system for agricultural and sideline products has made an impact on the procurement of export goods. The special economic zones which are entitled to retain part of their foreign exchange earnings have shared part of the available export goods. The growing domestic purchasing power has also led to a decrease in the stock of export goods. In addition, the impact of "parallel goods," the sustained high exchange rate of the U.S. dollar, and so on, are also reasons for the export trade volume's dropping to the lowest point in recent years.

Raising the export volume has become the top priority task of the Foreign Trade Department of Guangdong Province. The authorities concerned are now taking the following measures: tapping the initiative of the departments concerned at all levels; guaranteeing that the retained portion of foreign exchange earnings will be paid off; demanding that all units vested with import-export power fulfill the export quotas they have undertaken; concentrating all material resources available to purchase export goods; strengthening administrative functions and procurement work and extending the command plan for procurement to more than 100 additional items which were originally covered by the guiding plan for procurement; demanding a guaranteed supply of goods, actively engaging in joint business operations with other provinces so as to absorb more goods; properly arranging above quota export trade so as to make sure that it is taken care of along with export trade projects included in the state plan; strengthening statistical work for the export trade; and so on.

Guangdong sources in charge of the above task said that there had been signs of improvement in the export trade. They said they were confident about fulfilling or even exceeding the export quota although it was an arduous task.

GUANGXI READJUSTS AGRICULTURAL STRUCTURE

HK141541 Nanning Guangxi Regional Service in Mandarin 1130 GMT 13 Jun 85

[Excerpts] Since the beginning of this year, in the course of implementing this year's Document No 1 of the central leadership, the region has adopted the policy of making active and steady progress and has achieved initial results in readjusting the agricultural structure.

According to statistics, as compared with last year, the region's total early rice-growing areas were reduced by 1.27 million mu while the economic cropgrowing areas increased by 1.65 million mu. Some 600,000 mu of arable land have been made into forests. The region's agricultural structure is being perfected and is becoming more reasonable.

As there is much hilly land in the region, some areas are unsuitable for developing grain production, and the region's subtropical climate with warm weather and plenty of rain is good for growing economic crops and developing forestry production. In the past, however, we put undue emphasis on developing grain production and grew grain in places which were unsuitable for growing grain, but failed to rapidly develop economic crops and forestry production, which are our strong points. Promoted by this year's Document No 1 of the central leadership, the regional CPC Committee and people's government have decided to give full play to our strong points while avoiding our weak points by proceeding from Guangxi's reality and have formulated a plan to gradually reduce the grain-growing areas by 5 million mu over 3 years. This land will be used to grow economic crops, to develop forestry, and to vigorously develop commodity production so as to change our natural superiority into economic superiority. The regional authorities have demanded that all localities readjust grain-growing areas according to their local conditions and pay attention to the practical effects.

Sugar is one of the region's economic mainstays. The region's sugarcane-growing areas have increased from last year's 2.29 million mu to this year's 3.03 million mu, an increase of 740,000 mu. The jute and bluish dogbane-growing areas have increased from last year's 410,000 mu to this year's 880,000 mu, an increase of 470,000 mu. It can be anticipated that as a result of the readjustment of crop-growing areas this year, there will be large increases in the region's sugarcane and jute and bluish dogbane production and in the jute and bluish dogbane seeds delivered to other provinces.

GUANGXI DEVELOPING HYDROELECTRIC RESOURCES

OW182148 Beijing XINHUA in English 1652 GMT 18 Jun 85

[Text] Nanning, June 18 (XINHUA) -- More than 430 million yuan is being invested in power-station construction in the Guangxi Zhuang Autonomous Region this year -- 34 percent more than last year, it was announced today.

Ten hydroelectric power stations, with a total installed capacity of 11 million kws and an annual production capacity of more than 60 billion kwhs, are planned on the Hongshui River, one of the country's three major hydropower construction sites. Of these ten -- vital to relieve the energy shortages in southern China -- four have already been built or are under construction. The local authorities are welcoming foreign co-operation in the schemes, especially in investment, a local official told XINHUA.

Foreign experts and industrialists from a number of countries including Canada, the Federal Republic of Germany, Italy, Japan, Sweden and the United States have made a survey of the Hongshui River with a view to power station construction there. The autonomous region has already established about 9,600 power stations or plants with a total installed capacity of more than 2,700,000 kws. Most of these are hydroelectric power stations.

GUANGXI PARTY CONGRESS DELEGATES DISCUSS REPORTS

HK170928 Nanning Guangxi Regional Service in Mandarin 1130 GMT 16 Jun 85

[Text] The delegates to the Fifth Guangxi Regional CPC Congress today discussed and examined in groups the reports delivered at the congress.

The delegates unanimously held that the report given by Comrade Chen Huiguang to the congress was objective and practical and that they were greatly inspired by it.

In discussing and examining the reports, the delegates held heated discussions on the guiding principle put forth by Comrade Chen Huiguang, namely, emancipating people's minds, relaxing policies, opening up to the world, enlivening the internal economy, tapping internal potentials, giving full play to all positive factors, bring into full play our region's superiority and the role of the central cities, speeding up the development of coastal areas and southeastern Guangxi, vigorously developing western and northwestern Guangxi, and bringing about an upswing in Guangxi's economy.

The delegates from Liuzhou City said: Liuzhou City is the center of Guangxi's industry. We must bring into full play the role of large and medium-sized key enterprises. In addition to tapping the internal potential of enterprises, the departments concerned must establish the idea of serving large and medium-sized enterprises. Meanwhile, we must streamline administration and decentralized power to create external conditions for enterprises so as to invigorate enterprises and promote their takeoff.

The delegates from Beihai City said: Beihai as one of the country's 14 coastal cities open to outside world has bright future prospects. After listening to the report, we have more confidence in successfully exploiting Beihai's economy and opening up to the outside world. We are now grasping the construction of basic installations, such as communications, telecommunications, and hotels. We are improving the investment environment to attract more foreign businessmen to invest in Beihai and doing our utmost to build, as soon as possible, Beihai into a modern port, and into the region's window city in technology, management skills, knowledge, and foreign policies.

The delegate from Hechi and Baise Prefectures said: There are abundant natural resources in northwestern Guangxi, particularly in water conservancy, nonferrous metals, and native products. We must bring into full play all positive factors, bring in funds and technology, vigorously cultivate talented people, speed up the exploitation of northwestern Guangxi, and promote Guangxi to bring about an upswing in its economy.

HENAN CONFERENCE ON SUMMER GRAIN PROCUREMENT ENDS

HK181151 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 13 Jun 85

[Text] The provincial conference on summer grain procurement concluded yesterday. According to statistics, by the end of May, the province had placed orders for 11.3 billion jin of grain, 98 percent of the quota the state had set for our province. Wheat accounts for 8.85 billion jin of the grain ordered, 150 million jin less than the state quota for wheat.

The conference pointed out: This is the first year of implementing the system of concluding contracts for ordering grain. In carrying out the plans for ordering grain, the majority of places have taken the measures of [words indistinct]. The overall situation is good. However, we lack experience and some places [words indistinct] and their method is simple. There emerges the phenomenon whereby there is more administrative interference but less full consultation and [words indistinct].

In light of these problems, the comrades attending the conference carried out serious discussion. They held: It is necessary to persist in concluding contracts with peasants on ordering their grain. In a normal year, all contracts concluded must be fulfilled and grain departments must procure grain in accordance with the contacts signed. Neither party is allowed to break the contracts without a cause so as to uphold the solemnity of the contracts. [Words indistinct] and in mountainous areas and poor areas where orders for grain should not be placed but contracts have been concluded, readjustment must be carried out.

In some places whose production dropped due to disasters and which cannot fulfill their grain contracts, after verification by a grain department and with the approval of a county or a city people's government, the contracts can be revoked in an amiable way. The other quotas can be readjusted by a prefecture, city, or county by assigning them to the grain specialized households which have more surplus grain and a small amount of whose grain has been ordered so as to meet their needs in selling grain. If peasants still have surplus grain after fulfilling their wheat quotas and want to sell it, they are allowed to make further grain contracts.

The conference emphasized: It is essential to persist in settling accounts of the selling units. Except for the agricultural tax, no other charges are to be deducted by a grain department. [Passage indistinct]

HUNAN'S MAO ZHIYONG REPORTS AT PARTY CONGRESS

HK150303 Changsha Hunan Provincial Service in Mandarin 1100 GMT 14 Jun 85

[Text] In his report delivered at the fifth provincial party congress, Comrade Mao Zhiyong reviewed the course of battle in the more than 7 years from the fourth congress to now, and fully affirmed the achievements of this period.

Comrade Mao Zhiyong said: From the 4th provincial party congress to now, we have been through a process of development from the 3d Plenary Session of the 11th CPC Central Committee to the 3d Plenary Session of the 12th CPC Central Committee. During this period the political and economic situation in Hunan has undergone a change of historic significance. All work has gradually embarked on the track of healthy development. The current situation is very good.

Politically, we have broken through the fetters of the two whatevers and been liberated from the long-standing spiritual shackles of dogmatism and personality cult. The party's ideological line of seeking from facts has been revived and brought into play. A vivid and lively political situation has emerged throughout the province.

Economically, as a result of readjustment, reform, consolidation, and improvement, a new situation of sustained, steady, and coordinated development has appeared in the national economy. In 1984 total social output value, industrial and agricultural output value, national income, and output of most major industrial and agricultural products fulfilled or overfilled the targets set by the Sixth 5-Year Plan. Total social output value for 1984 was 50.637 billion yuan, a rise of 59.2 percent over 1978 in terms of comparable prices. Total industrial and agricultural output value was 42.399 billion yuan, a rise of 56.1 percent. National income was 24.557 billion yuan, a rise of 52.6 percent. Average net income of the peasants in 1984 was 348 yuan, and average disposable income of workers' households was 580 yuan. The great majority of the masses in the province have now solved the food and clothing problem, and a few people have started to get rich.

Comrade Mao Zhiyong reported on the province's achievements in urban and rural economic structural reform. He said: In the wake of the gradual unfolding of urban and rural economic reform, the entire economy of the province has started to liven up. The rural reforms have scored tremendous achievements. The contract responsibility system with payment linked to output has been gradually established and perfected. Large and small towns have gradually been revived and developed. There is a new vitality in the rural economy.

The urban economic reforms are now proceeding in depth, and initial results have been scored. We have expanded enterprise decisionmaking powers, universally substituted tax payment for profit delivery, and established various types of economic responsibility system.

In the circulation field, we have broken down monopolies, reduced the number of links, and expanded the channels. There has been relatively great development of collective and individual commerce. Reforms are actively underway in capital construction, communications, foreign trade, science and technology, and education. We have made a good start in opening up to the world. There was a big increase last year in projects and capital imported from abroad. Our economic and technological cooperation with fraternal provinces and municipalities has developed. Horizontal ties between different areas and enterprises within the province are daily strengthening.

Comrade Mao Zhiyong said: In recent years we have also attached importance to and stepped up the building of socialist spiritual civilization. New changes have occurred in people's mental outlook. We have stepped up education in socialist democracy and legal system and ensured the smooth progress of socialist modernization. The party organizations have undergone steeling, and the building of the leadership groups has been strengthened. The party's combat ability has been continually enhanced.

Comrade Mao Zhiyong said: These achievements are the result of the party members, cadres, armymen, and people in the province, under the correct leadership of the CPC Central Committee, seriously implementing the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, uniting for battle, and overcoming all kinds of difficulties on the path of advance.

Comrade Mao Zhiyong said: The goals of economic development for the province in the next 5 years are: By 1990, the province's total industrial and agricultural output value should reach about 65 billion yuan. We should strive to have achieved the first doubling by 1989, and lay the foundation for achieving quadruplication by the end of the century. We should basically maintain synchronous growth in national income and in industrial and agricultural production. On the basis of the 318 yuan figure for 1980, the average national income per person should rise to about 700 yuan in 1990.

While developing production, we must strive to do a good job in planned parenthood work and strive to keep natural population growth below 9 per 1,000. We must also do a good job in environmental protection and promote ecological balance.

Comrade Mao Zhiyong said: In developing the province's economy, we must consistently uphold the principle of seeking truth from facts and making steady progress and correctly handle the relationship between economic growth rate and economic results. In light of Hunan's current economic situation and potentials, it is completely necessary and possible to maintain an appropriate growth rate. However we must certainly not get hot-headed and blindly chase speed and compete in speed. Under the premise of improving economic results, we must seek sustained, steady, and coordinated growth of the national economy.

Comrade Mao Zhiyong said: In invigorating Hunan's economy, we must act according to the demand for developing commodity economy in a planned way, be still more bold in opening up to the world and enlivening the domestic economy, and having the state, the collective, and the individual all getting to work together. We should follow the path of importing from abroad and linking up with the interior, developing projects in a selective way, putting science and education in the lead, and simultaneously promoting development in urban and rural areas.

In regional economic development strategy, we must strengthen the building of the triangular region of Changsha, Zhuzhou, and Xiangtan cities, and bring into play the role of this urban entity as an economic center. At the same time we must bring into full play the strong points of other areas in resources and technology, give prominence to key points, promote comprehensive development, and make rational arrangements.

We should set up a number of economic zones, each with its own characteristic, and gradually from a economic pattern of multilayered development, radiating from the center.

The provincial departments concerned and the prefectures and cities must seriously make scientific assessments and decide on realistic economic development strategies.

Comrade Mao Zhiyong spoke on questions of economic construction in Hunan during the Seventh 5-Year Plan. He stressed: We must base our work on market needs and establish a production structure with Hunan characteristics. Generally speaking, in readjusting the production structure we should improve the existing agriculture, transform and expand industry, actively develop tertiary industry, and establish a production backed up by strong-point sectors in which all trades are developing coordination.

Comrade Mao Zhiyong said: Agriculture is the foundation of the national economy. We must continue to implement the principle of actively developing diversification without the slightest slackening of grain production. While getting a good grasp of field cultivation, we should focus on grasping stock-raising and rural industry, and strive to improve output and quality and raise the commodity rate, to suit the new market requirements.

The predominant position of grain must be maintained in field cultivation. Its total output should be stabilized at over 50 billion jin. At the same time, we must actively develop fiber crops, tobacco, tea, tangerines, oil-bearing crops, and other major industrial crops. In forestry, we must uphold the principle of focusing on cultivating forests and integrating forests, fruit, medicinal herbs, and miscellaneous products. We must achieve major development in stock-raising. Township enterprises should focus on the processing of agricultural and sideline products, and on building materials and small-scale mining. It is also necessary to actively develop other non-agricultural trades.

Comrade Mao Zhiyong said: Industry must be firmly based on its existing foundation. We must transform traditional industry, open up new industries, and focus on developing trades that are Hunan strong points. We must vigorously develop light industries producing foodstuffs, fodder, paper, and earthenware, together with fiber-based textiles and clothing industries, and building materials industries focused on cement and glass; we must also develop the machine-building, chemical, and nonferrous metal industries. We must attach great importance to developing production of raw materials in short supply such as steel, pig iron, caustic soda, and pure soda. We must actively develop new industries such as electronics and new materials.

Comrade Mao Zhiyong said: There are many outlets and great potentials for tertiary industry. This is of major significance for invigorating the province's industry. We must vigorously develop the commerce, finance, communications, and information trades, enliven circulation, unclog communications, and provide clear information. We must do a good job in providing technical services. We must actively develop the catering, repair, and service trades, speed up the development of tourism, get a good grasp of opening up the Wuling scenic area, and further build up tourist areas such as Yueyang and Nanyue.

SICHUAN SETS UP OFFICES IN OTHER PROVINCES, CITIES

HK180929 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 18 Jun 85

[Text] In order to strengthen economic and technological cooperation and commercial contacts with fraternal provinces and cities, the provincial government has recently decided to set up offices of the Sichuan Provincial People's Government in Wuhan, Lanzhou, Shenyang, and Beihai. At present, preparations for setting up all offices are being stepped up.

XIZANG COMMERCE DEPARTMENT GROUP CURBS MALPRACTICES

HK150819 Lhasa Xizang Regional Service in Mandarin 1130 GMT 13 Jun 85

[Text] The regional Commerce Department party group has seriously implemented the spirit of the conference of the central authorities on party rectification work and has resolutely corrected the malpractices of the enterprises directly under the Commerce Department in indiscriminately spending party funds, public funds, and party members' fees.

Last October, the regional food company spent some 1,000 yuan of party funds to buy 32 radios which they issued to party members. They spent some 4,000 yuan of public funds and party members' fees to make clothes for workers.

Last November, the company's car fleet department spent some 6,100 yuan of public funds and party members' fees on clothes for workers.

In the course of party rectification, the Commerce Department party group has done a great deal of patient and meticulous ideological and political work to lead the cadres and the masses to enhance their ideological awareness and to understand the seriousness and harm of new unhealthy trends. It has also taken effective measures to resolutely correct them.

The leaders and party members of the food company and its fleet of cars under the regional Commerce Department have resolutely corrected their past malpractices and have taken the lead in returning the money spent on radios and clothes. Those whose economic conditions are good will repay all the money in one lump sum. Those whose economic conditions are poor will repay the money in 3 to 4 monthly installments by deducting it from the companies, beginning in May. By the end of May, all money spent on radios had been recovered from these two units.

Under the supervision and inspection of the Commerce Department party group, the regional pharmaceutical company has sold to workers, at the original price, 260 meters of wool cloth which it had bought. It will no longer spend public funds on clothes.

The regional foreign trade company has also corrected its malpractice of buying briefcases for party members.

INTERVIEW WITH ZHANG TINGFA ON AIR FORCE REFORM

HK190803 Hong Kong KUANG CHIAO CHING in Chinese No 153, 16 Jun 85 pp 11-13

[Article by Tsang Hsing: Interview With Chinese Air Force Commander Zhang Tingfa on the Reform of the Chinese Air Force"]

[Text] Interview With Zhang Tingfa in the Air Force Headquarters Building

The reporter made the acquaintance of CPC [as published] Air Force Commander Zhang Tingfa during a military parade at the end of April. That parade was the ceremony for changing the uniforms of the CPC Air Force. In his new uniform, General Zhang Tingfa looked quite imposing on the reviewing stand of a military airport in the western suburbs of Beijing. As his orders resounded through the parade ground, columns of well-trained officers and fighters marched in step in front of the reviewing stand. During that parade, he told the Air Force officers and fighters that the change of uniforms, streamlining administration, and reorganizing the Army were the important contents of Army reform. He wanted to show others that the reform of the Chinese Army is proceeding in an orderly manner. After this parade, the reporter interviewed General Zhang in the Air Force Headquarters building. The following is the complete record of the interview.

Streamlining Administration and Reorganizing the Army Have Various Contents

Reporter: I am glad to see you. People in Hong Kong and overseas are eager to know about the reform of the mainland Army. Will you talk about the progress of Air Force reform?

Zhang: The Air Force has carried out a series of reforms over the past years. Last year, we put forward eight points of reform proposals. Some of them are being implemented and others have produced initial results. The reforms of the systems concerning flight training, academic training, logistics, engineering, ground crews, political education, and cadres' work have made a good start. Although these reforms are initial, they have played a positive role in blazing a new trail in Air Force work.

Reporter: While he was abroad, Mr Hu Yaobang said that the Chinese Army would be reduced by 1 million. Is this part of the Army reform?

Zhang: Foreign countries speak of disarmament. We speak of streamlining administration and reorganizing the Army, which includes reducing staff. The structural reform, streamlining administration, and reorganizing the Army are the greatest reforms confronting the Army.

Disarmament Will Start in the Latter Half of This Year

Reporter: What are the reasons for streamlining administration and reorganizing the Army?

Zhang: Streamlining administration and reorganizing the Army serves the needs of the country's construction. Also, we made this decision by taking into account the development of the world situation. It is a strategic task of building our Army into a modernized and regular Army. The Air Force will streamline its administration and carry out reorganization in strict pursuance of the Central Military Commission's plan, and this may possibly start in the latter half of this year.

Reporter: Will streamlining administration and reorganizing the Army be completed successfully?

Zhang: Naturally there will be difficulties, but it will be completed successfully. I believe that although the number of soldiers will be reduced, our great PLA will greatly improve its quality, increase its vitality, be full of vigor, and be more suited to the needs of the four modernizations.

It Takes Time To Restore the System of Military Ranks

Reporter: Will the restoration of the system of military ranks be an important part of the reform?

Zhang: It will be a part of the reform. We are vigorously handling the work in this field. However, it takes time and it is necessary to make very careful preparations.

The Greatest Achievements of the Period of Making a Big Show of Military Skills Have Been Topped

Reporter: What achievements have been scored in the modernization of the Air Force? What marks these achievements?

Zhang: Since 1979, the Air Force has undergone an all-round consolidation to bring order out of chaos and this has brought about a radical change in its features. The military and political quality of our Air Force at present is the best in the history of the development of our Air Force. All the combat regiments [tuan 0957] have become grade A Air Force regiments and their fighting capacity more than doubled the previous peak in 1965. The number of "all-weather" pilots has increased by 6-fold over 1978 and in Air Force shooting and bombing training, the examination contest records have been broken about 1,000 person-times. These achievements were better than the best achievements that we scored during the drive of making a big show of military skills in 1964.

Reporter: What about the Air Force's equipment?

Zhang: Now, we have a certain scale of equipment in our Air Force. We have developed and manufactured our own supersonic fighters, attack planes, reconnaissance planes, bombers, transports, helicopters, and trainers. However, there is still quite a great disparity between their quality and that of the advanced airplanes in the world. We are now actively solving this problem.

Does China's Flight Safety Rank Among the Advanced in the World?

Reporter: Is there any guarantee about flight safety?

Zhang: A fine situation in flight safety has continuously been maintained in our Air Force and the number of flying accidents has continued to decline. Not only many divisions, academies, and regiments have achieved flight safety for long periods, but there have also been some military regional air forces and air force corps [6511] who have maintained flight safety for a long time. For more than 6 years, our rate of serious flying accidents (the number of serious flying accidents in 10,000 hours of flying) has only been a little higher than the world's best and we have thus ranked among the advanced in the world in maintaining flight safety.

Reporter: What work has the Air Force done to help local economic construction?

Zhang: The Air Force has resolutely responded to the call of Deng Xiaoping, chairman of the Central Military Commission. While fulfilling its tasks of war preparation and military training, it has spare strength to vigorously support the economic construction of the country. In order to meet the demand for civil aviation at home and abroad, the Air Force has opened about 14 airfields for civil airplanes to use.

Since 1979, we have sent a large number of airplanes to undertake the tasks of aero-magnetic surveys, artificial rain, and scientific research trial flights. Moreover, a large number of our personnel and vehicles and a large amount of our machinery have taken part in the construction of nearly 900 state construction projects and our airplanes have planted more than 8.8 million mu of trees and grass for more than a dozen provinces and autonomous regions. We have also gone all out to support localities in their disaster relief work and have rescued more than 20,000 people from danger. We have conscientiously carried out the activities of "helping the people with our intellectual resources" by training more than 40,000 technical personnel of various kinds for localities.

The Troops Welcome the "Old Ninth Category"

Reporter: Commander Zhang, it is said that the troops do not welcome the "old ninth category." Do they?

Zhang: This is not the actual situation among our troops. The troops welcome intellectuals. They have been firm in doing this. People throughout our country, at upper or lower levels, are talking about respecting knowledge and talented people and taking loving care of intellectuals. So are we, for knowledge and talented people are indispensable for the modernization of our troops.

Reporter: It is said that the Air Force has recently trained a group of university students and postgraduates. Would you let me know your views on how to ensure Air Force officers become younger in average age and more knowledgeable?

Zhang: Over the years, the Air Force has repeatedly stressed respecting knowledge and talented people and strived to ensure that officers become more revolutionary, younger in average age, and more knowledgeable and specialized. Consequently, great changes have taken place in the intellectual structure of officers. All pilots in the Air Force have a college education or a technical secondary school education and 2/3 of the division officers of the combat troops have received training in secondary schools or institutions of higher learning. We will train a group of postgraduates and pilots who know English. At present, all commanders of the Air Force and its army and division commanders can fly. We have promoted a large batch of outstanding young officers to leading positions at various levels. The youngest army commander promoted recently is only 45 years old and the youngest deputy army commander 35 years old.

The Air Force Carries Out Party Rectification; It Negates the "Great Cultural Revolution"

Reporter: How has the party rectification in the Air Force proceeded?

Zhang: Starting in November of last year, party rectification has been introduced in the Air Force by stages and in groups. Now the second group of units have been carrying out the second stage of party rectification. Taking it as a whole, great achievements have been made in the party rectification. We have further eliminated the influence of "leftist" ideology, acquired a clearer understanding of the nature and harmfulness of the mistake of the "Great Cultural Revolution," and thoroughly negated the "Great Cultural Revolution." Through party rectification, the inner-party political life has been enlivened and a democratic atmosphere in which people treat each other with absolute sincerity has prevailed.

The Army Trains "Entrepreneurs"

Reporter: What is the significance of and the reason for the Air Force training its personnel in both military and civilian skills?

Zhang: In the Air Force there have been several hundred thousand officers and soldiers learning both military and civilian skills, of whom more than a hundred thousand soldiers have mastered both military and civilian skills and a hundred thousand soldiers have received certificates for their mastery of special skills issued to them by the local departments concerned.

Reporter: What do military and civilian skills mean?

Zhang: To put it briefly, by military and civilian skills we mean ensuring that the skills mastered in the Army can be applied in civilian services and that when our soldiers are released from military service, they have already acquired proficiency in a particular line or field. For example, having mastered the technology in growing mushrooms in the Army in south China, a soldier who went home upon his retirement from military service specialized in growing mushrooms and, together with other people, he became well off. He will train a group of more senior "personnel competent for both military and civilian services." Jin Guohua, a 28-year-old soldier in an artillery regiment under the command of the Wuhan Air Force, has managed to run a factory on a family basis. Last year the factory produced an output value of more than 6 million yuan, netting over 500,000 yuan. He proposed the factory be turned into a base for training qualified people. In my view, he is really extraordinary and he is a "soldier turned entrepreneur." This is also a major reform of the Army.

Well, that's all for today. The Chinese Army is an Army for defending peace and meanwhile, it is also an important force for supporting and guaranteeing China's reform. I am justified to proudly say that with the existence of such a great Army, China will move toward modernization more quickly. This was proved in the past, is being proved now, and will be proved in the future.

PROBLEMS OF TWO SYSTEMS POLICY IN SHENZHEN NOTED

HK180405 Hong Kong HONG KONG STANDARD in English 18 Jun 85 p 8

[From "A Chinese Opinion" column by Chang Kuo-sin: "'Two Systems' Isn't Working Well in Shenzhen Zone"]

[Text] With highrise buildings continuing to emerge in its skyline, Shenzhen lately has been likened to a "gold rush" boom town, a compliment, but made apparently without any thought that, if justified, it could one day metamorphose into a prediction of doom. And the prediction of doom: that, like almost all the other "gold rush" boom towns, Shenzhen could lapse into a ghost town, when all the gold is gone.

This prediction of doom of course, is not at this moment in any way discernible in the horizon, nor is it even thinkable in concept. But, as the cliche goes, anything is possible. Especially given the flux in China's politics, it is a possibility that cannot be ruled out.

Since its establishment as a Special Economic Zone (SEZ) in 1980, Shenzhen has been praised more often than criticised but in recent months, the trend seems to have reversed. Questions have been asked if Shenzhen is doing what it is supposed to do, whether or not it is steering a course in development that's consistent with the original objectives.

In the Chinese People's Political Consultative Conference (CPPCC) last April, Shenzhen had been severely attacked as an aberration in China's economic development, a distortion of the original concept in setting up the SEZ.

The original concept was to provide an environment for foreign investment, to bring foreign capital and expertise to China or within China's reach, to manufacture and export so as to earn foreign exchange.

What had happened however has been the opposite. As noted Chinese economist, Mr Sun Yueh-chi, had complained to the CPPCC, "Shenzhen had overtaken the rest of China in reconstruction, but most of the investors are from Hong Kong and Macau, not really foreign investors. The investments are mainly in tourism, not in industries. Most of the raw materials and consumers products are imported from abroad, not from inside China. All this is not consistent with the original objectives in setting up the Special Economic Zone. There is a need to improve the situation." Other delegates alleged that Shenzhen is making more money from inside China than from foreign countries, exploiting China more than foreign capital and foreign technology.

These criticisms are largely well-founded. With its open system and its proximity to Hong Kong and the outside world, Shenzhen has become more attractive to other parts of China than to foreign countries. Foreign investors are more demanding. They are concerned with the security and legal protection for their investments and about the possibility of remitting earnings out of China.

The right environment for all this has not yet been put in place in Shenzhen.

Shenzhen, as it is presently constituted, has become the envy of all China, and coveted by all China. It is literally being swamped by people from other parts of China, invaded by "carpetbaggers" from the north, workers coming to seek employment for the higher wages, people coming in to establish residence by some means, such as setting up trading posts for their regions, and buying up the apartments in the highrise buildings which are built to be sold to people from Hong Kong or foreign countries in order to get foreign exchange, but which the people from Hong Kong and foreign countries did not want to buy, and the so-called travelling merchants who come to buy goods for transportation back to their own regions for sale at huge profits.

The "gold rush" is on, but almost all from inside China, very little from Hong Kong or foreign countries, and the rush has taken on such proportions that it is threatening the very *raison d'etre* of Shenzhen's Special Economic Zone. Hence, the urgent need to build the wall, serving as a veritable cordon sanitaire, to keep out the rest of China.

The wall will be manned by armed guards and Shenzhen will have its own security force, its own police force and its own customs. It had wanted to have its own currency, but this may not be approved by Beijing. Even without its own currency, Shenzhen already has some of the trappings of an independent entity, almost a state within a state.

Thus, judged on its original objectives, Shenzhen must be adjudged a failure. So must it be similarly adjudged on its concept, the concept of a special economic zone, and it is here that Shenzhen has metamorphosed into a warning for Hong Kong.

The concept underlying Shenzhen's SEZ is the same as is applied to Hong Kong -- "one country, two systems."

Shenzhen has demonstrated the impracticability of this concept, especially within the communist system of government. For Shenzhen to be able to successfully establish a system that's different and better than that in China and in the way as conceived by Beijing, Shenzhen must itself be built up as a separate country. In other words, instead of "one country, two systems," it must be "two countries, two systems." This is what Shenzhen is trying to do, but whether or not it will succeed in doing so remains to be seen.

If the "one country, two systems" concept has failed in Shenzhen, there is no reason to expect that it will work in Hong Kong unless Hong Kong is allowed to remain walled off or walled in from the rest of China, to forestall any possible influx of "carpetbaggers" from the north.

But Hong Kong has a more complicated problem than the problem in Shenzhen. Hong Kong not only needs to keep out "carpetbaggers" from the north, but also from Shenzhen itself. Furthermore, Hong Kong not only needs to keep out the "carpetbaggers" from the north, but also the bureaucrats from Beijing.

MEASURES TAKEN TO AID THOSE SENT TO COUNTRYSIDE

HK180431 Hong Kong SOUTH CHINA MORNING POST in English 18 Jun 85 p 12

[By Terry Cheng]

[Text] Beijing, June 17 -- Beijing authorities have taken steps to ease the dissatisfaction among "rusticated youths" from Shanxi who lodged protests with the Beijing municipal government in April. Hundreds of people, who were sent to the country in Shanxi during the Cultural Revolution, staged a week-long sit-in outside the government building to demand their return to the capital.

Now the authorities have announced that those who are handicapped or ill, those who are getting old but not yet married, and those who are only children may return to Beijing.

The measures were announced only after the petitioners were persuaded to return to Shanxi. At that time, the petitioners were criticised for their "irresponsible acts." The week-long protest was only reported in the official Chinese press shortly before it ended. It was felt that the authorities had to criticise the petitioners and send them back to the countryside to prevent other rusticated youths from asking to be returned to cities.

The problem of rusticated youths left behind by the Cultural Revolution has not been solved and if it is not handled properly, it could lead to further troubles.

After the petitioners returned to Shanxi, the authorities moved quietly to resolve their difficulties and are dealing with each person on a case-by-case basis.

Apart from the three categories mentioned, there is at least one case in which a husband has been able to join his wife in Beijing. It is not known how many of the rusticated youths in Shanxi will be allowed to return to Beijing, but the number is thought to be small. The heavily-populated capital cannot afford to absorb many more people.

According to an informed source, the party general secretary, Mr Hu Yaobang, criticised the officials handling the Shanxi case. He was quoted as saying the officials should have asked themselves whether they had helped solve the root problems of rusticated youths by what they did.

It is still the Chinese Government's policy to encourage educated youths to work in the countryside and remote areas. The policy serves to ease population pressures on cities while providing the country side with useful people. Mr Hu recently recommended that university graduates should volunteer to work in the countryside. On Sunday, a large number of youths working near China's remote borders were praised by the authorities and awarded medals for their contribution.

HSIN WAN PAO COMMENTS ON BANKING CRISIS

HK180923 Hong Kong HSIN WAN PAO in Chinese 18 Jun 85 p 1

["New Talk" column: "Stabilizing Finance and Politics"]

[Text] The 3 days of public holidays were neither uneventful nor tranquil. Last night, the Hong Kong and Shanghai Banking Corporation and the Bank of China jointly announced their decision to support the Ka Wah Bank, which is now being affected by rumors, by extending to it a huge amount of credit and loans.

In the announcement, the Hong Kong and Shanghai Banking Corporation expressed its concern over "the rumors about some registered banks in Hong Kong, particularly those about the Ka Wah Bank, which are being circulated."

The use of the word "some" in the announcement merits our attention because, this shows that the Ka Wah Bank was not the only bank affected by the rumors although it has aroused the gravest concern.

The announcement also says that the Bank of China is concerned about the effects caused by the rumors. Everybody knows that it is the common desire of all parties to maintain Hong Kong's prosperity and stability. Evidently the effects about which the Bank of China is concerned are those adverse effects on Hong Kong's prosperity and stability.

According to General Manager Wrangham of the Hong Kong and Shanghai Banking Corporation, in addition to doing harm to the Ka Wah Bank, the rumors can also endanger Hong Kong's financial system.

Thus, it can be seen that the problem not only involves the Ka Wah Bank, but also other medium and small banks in Hong Kong, which are bearing great pressure after the Overseas Trust Bank crisis. The joint action taken by the Hong Kong and Shanghai Banking Corporation and the Bank of China to help the Ka Wah Bank can in effect contribute to the overall stability of the financial situation.

This morning, in his speech, Lin Guangzhao, a responsible person of the Bank of China, stressed that the Bank of China is willing to consider giving help to those properly managed banks which suffer from rumors and pressure.

The words "properly managed" are the key to his remark. Financially, the Ka Wah Bank has always been healthy and, administratively, it has always been properly managed. Thus, it has received timely support from the two major banks.

This conditional support differs in nature from the Hong Kong Government's take-over of the Overseas Trust Bank 2 weeks ago. The Hong Kong Government had no alternative but to take over the Overseas Trust Bank and this cost each Hong Kong citizen 400 Hong Kong dollars. That was because there was something wrong with the banks' administration. In addition, it is also possible that there were commercial crimes behind it.

Since the Overseas Trust Bank incident, it has been pointed out that Hong Kong's economy has its problems, that these problems have surfaced much earlier, and that the best way to deal with these problems is to take precautionary measures against them in advance and before their eruption. The timely support given by the Hong Kong and Shanghai Banking Corporation and the Bank of China to the Ka Wah Bank is precisely a precautionary measure.

Generally speaking, Hong Kong's banking system can stand and survive tests. However, if we simply blame the Overseas Trust Bank for the crisis but say that the Office of the Commissioner of Banking has not been derelict in its duty, people will say that we are concealing faults and glossing over wrongs. This is precisely in sharp contrast with the way the Ka Wah crisis took place and the way it was handled.

Hong Kong's prosperity and stability includes both economic and political stability. Recently, some people have tried to force some political moves on the public without paying attention to public opinion. This is in fact unfavorable for prosperity and stability and warrants our attention.

TIGHTENED U.S. KNITWEAR REGULATIONS POSSIBLE

HK180407 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English
18 Jun 85 p 1

[Text] The U.S. has further tightened the provisions for "partial knitting" allowed to be done in Hong Kong from one-third to two-thirds for the knitwear imported into the U.S., according to industry sources. But Trade Department officials said the U.S. Customs Department had not notified them of the change in the minimum amount of partial knitting that can be done in Hong Kong for a garment considered of Hong Kong origin.

Panels knitted in more than one country were not covered by the U.S. country-of-origin rules promulgated on April 4.

This was interpreted by local manufacturers as a loophole since "partial knitting" is permissible and sweaters can get Hong Kong certificates of origin as long as a permitted portion of their panels are knitted in Hong Kong and the rest in China.

Despite the lack of clarification by the U.S. Customs on the minimum amount of knitting that can be done in China and still qualify for a Hong Kong certificate of origin, manufacturers have thought the U.S. will permit a proportion of one-third knitting in Hong Kong and two-thirds in China.

It is understood that Hong Kong knitwear manufacturers have since been exporting knitwear under this belief, with no shipments detained so far. But recently industrialists told BUSINESS NEWS the one-third qualifying proportion has been raised to two-thirds. One source, who asked not to be named, said that in addition to having to knit two-thirds of the sweater panels in Hong Kong, other assembling and finishing processes have to be completed here before they qualify for landing in the U.S.

The Director of Trade, Mr Hamish Macleod, said his department is still waiting for a response from the U.S. on the matter. "I have not heard of this," he said, adding that it is an industry rumour.

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